

The NATIONAL UNDERWRITER

Life Insurance Edition

A New England Mutual Agent answers some questions about what to look for when you buy life insurance

THE BEST LIFE INSURANCE AGENT becomes a friend. A man who understands you and your family — is interested in your future and competent to advise you. A man like Frank Scarborough, here — outstanding New England Mutual agent from Wilmington, Delaware. He's a family man, a man with broad interests, a man active in community affairs. The kind of man that represents New England Mutual all over the country.



NOTE: This advertisement is one of a series which is appearing in the Saturday Evening Post, Time, and Newsweek.

The NEW ENGLAND MUTUAL AGENT is Your friend for LIFE

What makes some life insurance policies better than others?

"The number of 'rights' you get in your policy — and the freedom that those rights give you — are the most important things to look for. More important than any price consideration. Make sure your agent tells you exactly what rights his policy gives you."

Rights to do what?

"Let's start with the simplest example. An emergency comes up and you need some money in a hurry. You should have a contract that provides early loan values. Or suppose the day comes when you'd like to change to another type of policy. You should have a contract which guarantees the most flexible and inexpensive terms for such a change.

"Consider another possibility. Your need for family protection might end. Be sure your contract allows you to take a life income on a generous basis. You should also be sure that when your policy matures, or is payable to your beneficiary, it offers a wide choice as to how the benefits are paid."

Isn't a policy like this expensive?

"Not necessarily. The New England Mutual's contract excels in the four important features I've just mentioned, yet its cost is competitively low. It's well to note that so many of the rights that make our policy outstanding are living benefits. Any New England Mutual agent can show you a lot more reasons why you don't have to die to win."

The NEW ENGLAND  MUTUAL
Life Insurance Company of Boston
THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1855

Can you answer these? What are the first 5 things a family man should buy life insurance for? What advantages does retirement income insurance have over an endowment policy to provide income for your old age? Read answers in FREE BOOKLET — "Your Life Insurance Guide" — full of helpful information. MAIL COUPON TODAY.

NEW ENGLAND MUTUAL, P. O. Box 333-1N, Boston 17, Mass.
Please send me, by mail and without obligation, the booklet, "Your Life Insurance Guide".

Name.....
Street.....
City & State.....

FRIDAY, MARCH 18, 1955

Atlantic Currents

"Jamestown", "Mayflower",
"Mount Vernon",
Names that Have Made History
— and Still Are

Yes, in their own way Atlantic's broad coverage accident and sickness and hospitalization policies, bearing history-making names of the past, are making history today.

Introduced recently, these modern contracts have found enthusiastic acceptance by agents and policyowners alike.

Small wonder, because "The Jamestown", "The York", "The Mount Vernon", "The Blue Ridge", and "The Mayflower" have the quality features that agents like to sell and prospects like to buy.



ATLANTIC LIFE

INSURANCE COMPANY
HOME OFFICE: Richmond, Virginia

More than a Half-Century of Service

Life

A & H

Group

Franchise

Hospitalization

Brokerage

Reinsurance

life insurance in force exceeds

\$720,000,000.00

PLUS: One of the most advanced agents training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions.

REPUBLIC NATIONAL LIFE

INSURANCE COMPANY

Theo. P. Beasley, President

Home Office, Dallas



Bill Nalac's CORNER

"Here at North American we're about ready to celebrate the first anniversary of our FLEX-ESTATE Plan—a sales tool that has really proved itself in its trial run. Appealing thing about the 'F-E' is that your client can do just about anything he wants to with it after he gets it under way—pay it up in 30 years—sooner—start retirement checks at 65—sooner—later—put in surplus dollars as he goes—build up bigger retirement benefits. Point is—he doesn't have to decide on all that today. Get the seed in the ground now—trim the vine any way you want to later makes a lot of sense to a lot of prospects these days."

HOME OFFICE:
MINNEAPOLIS, MINNESOTA
H. P. SKOGLUND J. E. SCHOLEFIELD, C.L.U.
President ★ Vice President—Director
of Agencies



LIFE • ACCIDENT • SICKNESS • HOSPITAL • GROUP

1879-1955

76th

ANNUAL REPORT

For the year 1954

Insurance in Force	\$319,435,211
Assets	67,052,239
Liabilities	62,365,731
Total Surplus	4,686,508
1954 Increase in Insurance	24,774,736
1954 Increase in Assets	6,813,445
Paid to Policyowners and Beneficiaries	2,631,531
Reserve for 1955 Dividends	1,410,000

A Tradition of Faithful Stewardship Since 1879

Completing Seventy-Six Years of
Steady Progress

Lutheran Mutual

LIFE INSURANCE
COMPANY

HOME OFFICE ★ WAVERLY, IOWA

NALU Board Faces a Tough Decision on Office Building

Soaring Cost Estimates Pose Problem of Providing Enough Space at Reasonable Outlay

The National Assn. of Life Underwriters board of trustees will have an extremely unhappy problem tossed in its lap when it opens its deliberations Sunday at Columbus, O., at the start of the midyear meeting.

The problem will be to decide how much of an outlay NALU should let itself in for in building and furnishing its new home in Washington, D. C. A related problem is how much of the cost over and above the present accumulated \$286,000 in money and pledges should be handled through additional contributions and how much through other methods, including a mortgage.

A building of the design submitted to the Washington zoning board is difficult to pinpoint as to cost without bids from contractors. Some who have been following this situation have put their educated guesses as high as \$450,000 for the building, in addition to the \$108,000 that has been paid for the land. It is believed that a realistic estimate would be of the order of \$400,000.

A conservative estimate of the cost of new equipment needed to operate in the new building, plus furnishings, plus cost of moving, would be in the neighborhood of \$100,000. This would add up to around \$600,000 to see NALU ensconced and ready for business in its new home.

Not only is the over-all cost getting considerably above the original amount contemplated when NALU was being urged to buy the Bankers National Life building at Montclair, N. J., for approximately the amount now in the building fund, in addition, it will not be possible at Washington to rent space to any commercial tenants who would add to NALU's income during the time that NALU and LUTC were expanding to the point where they needed the additional space.

Hence NALU faces the unhappy choice of building just about large enough for present requirements of itself and LUTC and being cramped as both organizations expand in the future or building large enough to allow for expansion and paying for a lot of unrentable space until such time as the organizations grow to the point of needing the room.

An additional strait-jacketing factor is that the way the plan for the building was put up to the Washington authorities it was indicated that the entire first floor would be used for memorial exhibits and lounge space. The building committee is now in the position of having to get the authorities not to hold NALU to devoting so

N. C. Groups Back M. W. Peterson for Secretary of NALU

M. W. Peterson, Charlotte, N. C., agent for Lincoln National Life and now in his fourth year as a trustee of National Assn. of Life Underwriters, has been endorsed by the North Carolina and Charlotte associations for NALU secretary.



M. W. Peterson

Mr. Peterson has held all elective offices in the local and state associations, and in the Charlotte CLU chapter, Life Managers Assn. and Life Insurance & Trust Council. The Peterson trophy, an annual award to the outstanding local association in the state, was established when he was president of the state association in 1950-51.

While national trustee, he served as chairman of the committees on relations with attorneys, conservation, by-laws, and now heads the committee on associations.

Mr. Peterson entered the life business in 1938 as a Jacksonville agent of Massachusetts Mutual Life. He was made North Carolina general agent of Lincoln National Life in 1942. He returned to personal production two years ago. He is active in civic and fraternal organizations.

Registration of Welfare Funds Sought in N. Y.

ALBANY—An administration bill requiring registration of all welfare funds, whether administered jointly by trustees of unions and employers or by employers alone, has been introduced in the New York legislature. Insurance Superintendent Holz said the legislation is needed to enable him to proceed with the type of investigation he has in mind. Pending further investigation the department's position is that comprehensive regulatory and reporting legislation would be premature.

The New York Commerce and Industry Assn. has declared itself in favor of regulatory legislation for jointly administered funds but opposes it for those administered by employers only. A department bill requiring the filing of group commission rates was introduced recently.

much space to non-working area and the hope has been expressed that no more than 25% of the ground floor would have to be used for memorial exhibits.

Charles Luckman of NALU's architectural firm of Pereira & Luckman will be at the trustees meeting to present plans and specifications. Presumably he will be able to supply approximate cost figures but there is doubt that until contractors bids are in it will be possible to make an estimate that will be within \$50,000 or so of actual costs.

LIA-Financed Study of Saving Published; Covers Half-Century

NEW YORK—A long-term trend toward an increase in the proportion of individual saving in life insurance and other contractual forms of personal thrift is reported in *A Study of Saving in the United States*, by Raymond W. Goldsmith.

The first two volumes have just been published by Princeton University Press. The study was financed by grants from Life Insurance Assn. of America. It took five years to complete and is the most comprehensive study ever done in the field of saving and the role it has played in the nation's progress.

During the period 1901 to 1949 as a whole, saving in life insurance alone was placed at \$58 billion, or nearly one-eighth of all personal saving in the period. The share of life insurance in total personal saving rose from 8% in the first decade of the century to 15% in the 1946-49 period.

In the last 50 years, the volume of national saving in the United States has shown an upward trend of about 1 1/4% a year, adjusted for price changes and allowing for population growth. This means that real saving per capita has doubled every 40 years. The long-term upward trend in the price level since the turn of the century has had little effect on people's savings habits and the outlets they selected for thrift except during war periods. Price-sensitive assets such as real estate, corporate stocks, and equities in unincorporated businesses have lost steadily in importance over the years as a personal savings medium.

In this connection, the survey notes there is considerable insensitivity to gradual but prolonged declines in the purchasing power of money. People tend to think of a dollar as being worth a dollar.

Mr. Goldsmith was assisted in his research by an advisory committee headed by Winfield W. Riefler, assistant to the chairman of the board of governors of the federal reserve system. Life insurance executives on the committee included Chairman W. W. Bodine of Penn Mutual, President Frederic W. Ecker of Metropolitan Life, and Chairman Gerard S. Nollen of Bankers Life of Iowa, who on his retirement was succeeded by Robert B. Patrick, financial vice-president of Bankers. James J. O'Leary, director of investment research of LIA, met with the committee and served as secretary.

In his preface Mr. Goldsmith says that "it is a tribute to the life insurance business that through the investment research committee of the LIA it recognized the need for a basic study of the saving process. In keeping with this spirit the association has given me full freedom in conducting the study."

N. H. Seeks Premium Tax

A bill to levy a 2% tax on all gross insurance premiums issued by fraternal and non-profit insurance groups has been introduced in the New Hampshire legislature.

LIAMA Groups Scan Competition, U.S. A&H Activity

Spring Meetings at Chicago Draw Good Attendance

Evaluating ramifications of today's increased competition, both within the insurance business and from outside, and sizing up the effect on the A&H industry of federal activity got top attention from two LIAMA organizations at their spring meetings this week in Chicago.

The agency management conference, formerly the small companies committee, at its session elected Lee Cannon, Western Life of Montana, chairman to succeed Kenneth D. Hamer, Pan-American Life. New committee members are M. F. Browne of Occidental Life of North Carolina, Ben F. Hadley of Columbus Mutual and Norman T. Carson of Security Mutual Life of New York. Attendance was about 250.

At the A&H meeting, attended by about 150 persons, W. W. Hartshorn of Metropolitan was elected chairman. Named to the A&H committee were Arnold Berg, Indianapolis Life; W. G. Alpaugh Jr., Inter-Ocean; C. J. Skelton, Republic National, and R. E. Fort, National L&A.

Several of the talks at each of the meetings are reported separately elsewhere in this issue.

In the face of increasing competition from all sides, Mr. Hamer, setting the stage for the management conference, observed that the agency officer today has "some terrific responsibilities" to the salesmen. "We must know them well, as individuals—know something about the community in which they are operating, know and understand their markets, create better selling techniques to meet this roughest and toughest competitive market of all times. Above all, we must give stronger leadership than ever before."

Mr. Hamer urged agency officers "to wrap our merchandise up in a cellophane package or a program tied with red ribbon, if necessary, and get our salesmen excited about our merchandise—because an excited salesman will break through buyer resistance and complacency."

In merchandising life insurance on the surface has been scratched, he said. "New frontiers are opening daily," he continued. "There are new inventions, new uses of goods and services, more people with spendable income and a rapidly increasing population."

Because of the pressure for new business, Mr. Hamer wondered whether agency officers are inclined to take too great a risk in managerial appointments. He warned against making appointments for the immediate "new business results" at perhaps too high

(CONTINUED ON PAGE 19)

Chicagoans Get Washington Review from Kirkpatrick

A. L. Kirkpatrick, insurance manager of the U. S. Chamber of Commerce, addressing the insurance group of Union League Club of Chicago, expressed the belief that the administration sponsored health reinsurance bill will not succeed in a Democratic controlled Congress.

A. L. Kirkpatrick

Commenting the U. S. Chamber and the American Medical Assn. battled the measure last year, when it failed of passage in a Republican Congress, Mr. Kirkpatrick said he has found a 100% lack of faith among informed people that the bill would work or even make a contribution to the problem it attempts to solve.

In the social security field, Mr. Kirkpatrick said there probably will be nothing introduced this year, but in 1956, an election year, there will be pressure to increase and widen the benefits, hike the payroll base for taxation, and other changes. He mentioned some of the fallacies of the social security idea, and remarked that the actuaries know the weaknesses and now the problem is to get the story across to the public. No one has paid more than 5% toward the benefits he is now receiving, the speaker said, and even with the employer contribution the maximum is 10%. The direction in which social security is headed seems to follow the pattern advocated by the International Labor Organization, and Mr. Kirkpatrick said his observations in Central and South America indicate this idea takes in the socialization of workmen's compensation while taxes to support the program go up to 25% of payroll. In the United States it is the obvious job of business men to head-off such developments, he declared.

Discussing the aims and functions of the U. S. Chamber, Mr. Kirkpatrick said there are 50 insurance men serving on various committees, 30 of them on insurance. Altogether, 500 insurance companies belong to the chamber and the insurance business is one of the best supporters of its activities.

There were two members of the U. S. Chamber insurance committee at the head table—Walter M. Sheldon of W. A. Alexander & Co. agency, and Chase M. Smith, general counsel of Lumbermens Mutual Casualty and U. S. Chamber insurance committee chairman, who introduced Mr. Kirkpatrick.

The meeting was in the nature of a homecoming for the speaker, since Mr. Kirkpatrick before going with the chamber was for many years insurance editor of the old *Chicago Journal of Commerce*, and he was well-known to many in the audience.

Roy Davis, midwest manager of Assn. of Casualty & Surety Companies, presided at the luncheon as chairman of the insurance group. In the preliminaries, Levering Cartwright, the vice-chairman, introduced representatives from 13 insurance trade organizations, remarking that this is the season during which these groups exercise their greatest activity and influ-

Figures from Life Companies' Year-End Statements Shown

	Assets Total	Increase in Assets	Surplus to Policy holders	New Bus. 1954	Ins. Force Dec. 31, 1954	Increase in Ins. Force	Prem. Income 1954	Benefits Paid 1954	Total Disburs. 1954
American Home Life	2,866,016	304,405	286,028	10,027,596	33,672,041	-22,911,784	1,085,678	206,588	1,159,895
Bankers Life & Co.	88,209,286	21,811,165	10,331,092	205,159,516	504,374,527	98,938,270	120,943,335	66,140,281	123,275,566
Brotherhood Mutual Life	5,025,101	613,125	344,316	9,835,815	38,721,616	1,491,943	1,491,943	488,164	997,327
Canada Life	478,291,768	30,929,741	29,245,156	244,301,931	1,991,102,311	181,216,692	52,387,898	32,161,706	49,667,362
Chicago Metropolitan Mutual	8,336,861	964,154	1,851,546	25,311,283	76,355,843	2,932,773	3,325,156	565,602	3,030,298
Columbian Mutual Life	6,321,149	746,108	505,591	13,998,726	72,869,709	4,832,019	3,979,679	962,679	3,394,494
Continental Assurance	338,394,832	53,108,980	31,149,404	588,219,460	3,126,756,214	539,673,179	96,422,290	56,650,529	76,729,832
Equitable Life, Canada	28,602,706	1,137,192	1,878,625	16,240,493	113,066,890	9,639,852	2,768,694	1,852,228	3,732,942
Equitable Life, D. C.	81,329,872	7,283,927	7,023,328	27,601,366	374,047,409	13,712,358	12,021,361	3,665,014	9,040,236
Family Life, Wash.	578,213	76,723	455,585	12,207,935	31,980,202	8,108,032	283,368	36,864	218,666
Guardian Life	380,611,413	23,632,314	27,948,270	187,877,322	1,197,986,405	76,953,604	35,779,284	19,303,116	52,099,577
Home Friendly, Md.	12,223,168	786,132	3,051,910	8,175,584	49,645,300	1,543,953	1,791,018	744,018	1,722,494
Industrial Life, Canada	36,591,151	5,547,004	2,511,275	63,729,201	347,502,134	33,551,827	10,732,848	3,438,504	7,521,285
International Fidelity, Tex.	4,068,741	423,788	1,102,293	12,767,830	41,009,830	-13,387,148	2,157,903	689,249	2,516,311
London Life	476,996,471	37,758,678	30,272,233	391,805,164	3,025,140,227	243,391,452	63,095,781	33,846,906	83,879,579
Lincoln National Life	1,043,936,824	85,272,700	90,082,543	1,001,482,238	6,885,498,300	593,862,416	150,605,683	83,879,579	126,702,268
Mammoth L. & A.	5,482,718	669,231	1,201,791	15,692,066	38,648,464	1,524,597	2,584,875	650,728	2,376,490
Maritime Life, Can.	11,135,239	668,835	1,089,000	3,541,207	44,902,505	981,046	1,009,703	1,034,039	1,351,326
Metropolitan Life	13,091,375,528	779,442,161	780,499,852	5,695,451,352	59,967,552,796	3,862,787,064	1,774,350,126	1,113,477,690	1,546,414,138
Ministers L. & C. Union	13,183,897	1,396,703	1,968,813	16,162,988	56,187,725	15,230,641	2,571,890	1,690,268	2,374,077
Montreal Life	28,107,894	1,440,559	2,145,363	23,867,304	148,133,001	7,826,575	3,371,347	1,913,586	4,414,605
National Educators Life Tex.	5,223,392	1,296,717	1,397,505	13,797,505	35,004,155	3,335,355	2,871,727	744,320	2,977,604
National Guardian Life	40,029,034	3,297,594	3,047,890	23,282,049	170,095,785	15,370,860	4,661,410	1,714,705	3,468,103
National Life, Can.	31,002,302	1,571,522	1,605,141	29,305,257	176,060,444	20,837,683	3,696,765	1,682,393	3,879,785
National Old Line	13,105,182	3,046,451	3,163,521	32,055,324	154,075,117	33,464,508	5,095,301	350,848	4,815,540
N. Y. Savings Bank Life	41,298,584	6,039,415	3,163,521	32,055,324	260,106,794	22,574,009	8,156,791	2,596,322	9,682,289
North American Life, Ill.	36,993,261	2,634,514	2,931,045	32,350,621	190,256,296	15,117,843	5,945,533	2,479,376	5,112,237
North American Life, Can.	201,861,868	16,450,180	9,665,280	122,887,309	847,753,059	90,905,213	25,218,327	11,982,719	32,476,947
Northwestern Life, Wash.	4,861,195	505,437	581,124	12,722,588	44,601,674	7,591,459	1,877,261	811,649	2,010,981
Olympic National Life	7,355,377	935,437	506,302	7,073,784	45,831,349	2,876,211	1,646,778	453,541	1,157,896
Peoples Life, D. C.	93,310,523	8,860,993	6,061,909	87,740,671	515,800,808	18,063,783	17,448,084	5,158,177	13,760,755
Pierce Ins. Co., Cal.	6,177,973	1,059,254	733,414	15,307,684	40,886,616	4,293,074	2,622,368	602,374	1,781,641
Postal Life, N. Y.	18,064,693	478,521	577,178	28,352,262	118,105,814	17,820,141	3,753,870	2,168,113	3,695,906
Presbyterian Ministers' Fund	60,521,722	3,858,431	5,477,937	15,311,336	140,932,327	12,320,760	4,050,058	3,305,979	6,694,696
Prof. & Bus. Men's Life	3,838,890	947,486	657,057	18,718,187	40,403,290	9,769,737	2,428,597	446,370	2,355,057
Protective Life, Ala.	62,358,370	7,172,235	5,312,620	169,094,219	672,758,580	140,983,233	14,814,615	8,417,854	11,588,000
Reliance Mutual Life, Ill.	2,052,491	270,774	341,653	17,712,833	30,965,304	11,229,179	1,111,953	558,417	2,052,491
Rural Security Life, Wis.	1,487,146	401,376	332,454	8,147,982	5,900,831	6,900,831	613,091	83,567	307,013
Southland Life	12,721,412	12,718,462	3,125,000	206,702,366	916,079,134	115,633,929	23,641,474	9,775,971	29,222,558
Standard Life, Miss.	12,200,797	1,191,115	1,700,000	85,709,179	93,885,978	10,831,724	2,976,297	191,073	2,711,554
State Farm Life	90,463,852	14,479,374	12,734,079	208,116,506	851,903,802	136,465,731	21,502,252	4,546,655	12,172,354
State Mutual, Ga.	4,002,625	379,149	420,636	9,335,350	28,125,729	930,515	1,058,287	408,959	975,865
Travelers	2,551,500,524	153,061,226	294,467,571	1,396,748,226	15,375,344,233	1,255,718,561	214,883,823	157,162,314	220,393,477
Union Labor Life	21,415,839	1,169,997	5,119,565	210,635,397	737,931,169	197,617,851	22,807,532	16,204,415	22,870,982
United American Life	7,953,307	1,355,307	642,259	7,969,058	43,984,644	4,250,703	1,524,358	335,376	991,111
Unit L. & A., N. Y.	16,024,904	1,790,755	1,053,776	34,942,277	141,020,916	6,814,264	5,577,269	1,140,533	4,260,732
Czechoslovak Society	12,930,937	661,592	1,817,200	2,624,630	38,699,795	1,588,542	1,210,297	732,451	1,483,004
Fraternalists									
Gleaner Life Society	14,551,368	824,601	1,387,111	4,299,986	50,486,738	1,852,337	1,159,439	670,557	1,835,670
Independent Order of Foresters	58,068,680	3,002,763	8,511,990	72,790,575	234,838,212	31,034,208	6,336,642	3,735,891	7,085,336
Protected Home Circle	19,364,999	726,537	1,192,435	8,975,402	73,771,567	-643,625	1,833,813	1,245,992	2,044,661
Standard Life, Kan.	10,812,420	251,262	1,102,984	8,567,863	39,807,456	-368,521	1,286,530	849,428	1,549,001

The new business figures exclude renewals and increases except as follows: 1, \$783,979,411; 2, \$6,814,123; 3, \$305,086; 4, \$20,529,344; 5, \$298,086; 6, \$654,384; 7, \$6,710,628; 8, \$14,847; 9, \$2,314,654.

*Includes renewals and increases.

**Includes \$547,730 added through reinsurance of merger with Union of French Canadian Catholics of Marquette, Mich.

ence. They have to contend with a multitude of legislative proposals, and in this capacity, Mr. Cartwright said, they might be referred to as "snake killers," because their duty is to eliminate adverse legislation.

The organizations represented at the luncheon were American Life Convention, American Mutual Alliance, Chicago Board, Health & Accident Underwriters Conference, Illinois Chamber of Commerce, Insurance Federation of Illinois, National Assn. of Insurance Commissioners, National Fraternal Congress, National Board of Fire Underwriters, National Bureau, National Assn. of Independent Insurers, Western Actuarial Bureau and Western Underwriters Assn.

E. F. Gallagher, Chicago manager of Planet, described in a humorous progress report what his special committee has done about nominating a manner in which the Union League Award Cup can be given to an individual. The cup was presented to the insurance group by the club to be given to the person the insurance people feel most deserving.

Bill Would Remove Fraud as Insurer Defense

A bill introduced in the Rhode Island legislature would establish life agents, in the eyes of the law, as agents of the company instead of insured. Rep. Nugent, who sponsored the bill, said life companies often contest a claim when death occurs within two years of the writing of a policy. Frequently the company claims the policy was obtained by fraud because the applicant failed to tell the agent he suffered sickness or disease. The bill, he said, would make the company responsible for policies written by their agents, removing the defense of fraud for nonpayment of a death claim.

Competition No Success Barrier, Zimmerman Says

Despite today's heightened competition for the consumer dollar, the sales future of life insurance is more promising than it has been for some time, Charles J. Zimmerman, managing director of LIAMA, told that group's agency management conference in Chicago this week.

Insurance today is competing in an expanding market, not a contracting one, Mr. Zimmerman said. "We are competing for our share of more consumer dollars per person in the hands of more people, and at a time when optimism and confidence with regard to the future economy prevails, contrasted to the pessimism and uncertainty prevalent as recently as a year ago.

Competition in this type of market, Mr. Zimmerman observed, is much to be preferred to competition in the market that existed throughout most of the 1930's.

Noting today's principal competition comes from outside rather than from within the insurance business, Mr. Zimmerman cited several advantages the agent has over the salesman of tangible products. The latter often finds himself in a market close to the saturation point, whereas the insurance market, far from approaching its

potential, is less adequately insured than it was 10, 20, and 30 years ago. The tangible salesman competes primarily on the basis of price and product, selling a comfort or luxury, persuading the prospect to spend money. The life agent, on the other hand, competes on the basis of ideas, knowledge, and service, meeting a need for individual and family security and persuading the prospect to save money. Whereas the tangible salesman creates problems, such as disturbance of study habits of children in homes where a TV set is purchased, the life agent solves problems.

Nominate Grayson for NALU Trustee

Louis J. Grayson has been nominated for trustee of National Assn. of Life Underwriters. His candidacy is sponsored by District of Columbia Life Underwriters Assn.

Mr. Grayson attained prominence in NALU as national chairman of the committee on affairs of veterans and servicemen. He is immediate past president of the D. C. Life Underwriters Assn. and has been active in committee work and as a director of that organization.

For the past 23 years he has been an agent of Travelers. For six consecutive years he has been a member of Million Dollar Round Table.

Leases Projected Office Building

One of two smaller buildings Mutual Benefit Life will construct in the same block as its new home office at Newark has been leased to the New Jersey Blue Cross and Blue Shield plans. The lease is for 25 years, with provision for a 25-year renewal.

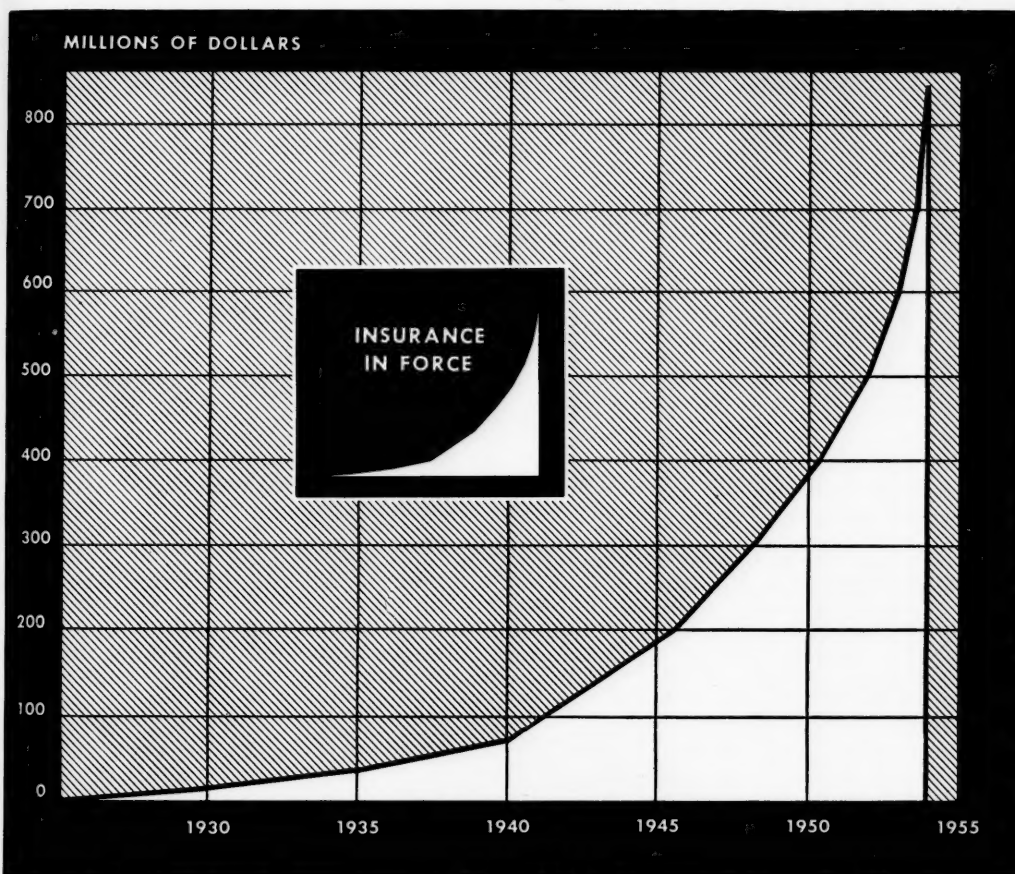
STATE FARM REPORT

Facts of interest from State Farm Life Insurance Company, Bloomington, Illinois,
affiliate of State Farm Mutual Automobile Insurance Company and State Farm Fire and Casualty Company

VOL. 2 NO. 1 1ST QUARTER, 1955



STATE FARM LIFE INSURANCE IN FORCE SOARS IN '54, PASSES \$837 MILLION!



**Total volume
up 20 per cent
in past 12 months**

During the year ending December 31, 1954, State Farm Life Insurance Company added more than \$137,000,000 to its insurance in force, to bring its present total past the \$837,000,000 mark.

By the same date, total assets had risen to more than \$90,000,000.

This steady growth since its founding, twenty-five years ago, has enabled State Farm Life to hold its rank as one of the fastest growing ordinary life insurance companies in the industry. And it gives evidence of the solid foundation upon which State Farm has been built.

1031 "Multiple Line" Agents Exceed \$100,000 Production

In 1954, 1031 State Farm agents produced \$100,000 or more of paid-for life insurance along with "balanced production" in automobile and fire insurance.

State Farm agents also represent State Farm Mutual—the company that insures more cars than any other in the industry... and State Farm Fire and Casualty Company—its affiliated fire insurance company which now protects property valued at well over 6 billion dollars!

Company Beats Own Record in New Paid-For Life!

State Farm Life's new ordinary insurance issued in 1954 totalled \$207,843,000.

This figure, more than \$20 million greater than in 1953, represents the greatest annual production in the history of the company.

Commenting on this achievement, Morris G. Fuller, President of State Farm Life Insurance Company, said:

"The record of State Farm agents throughout the year speaks for itself. I'm proud of every one of them."

This is another in a series which is published at regular intervals to acquaint you with facts of interest concerning State Farm Life Insurance Company.

Their reasons differ but both agree...



ROY LOCKHART of Birmingham, Ala., says —

"The training I received at the Aetna Life Basic School enabled me to get right into life insurance selling at a professional level.

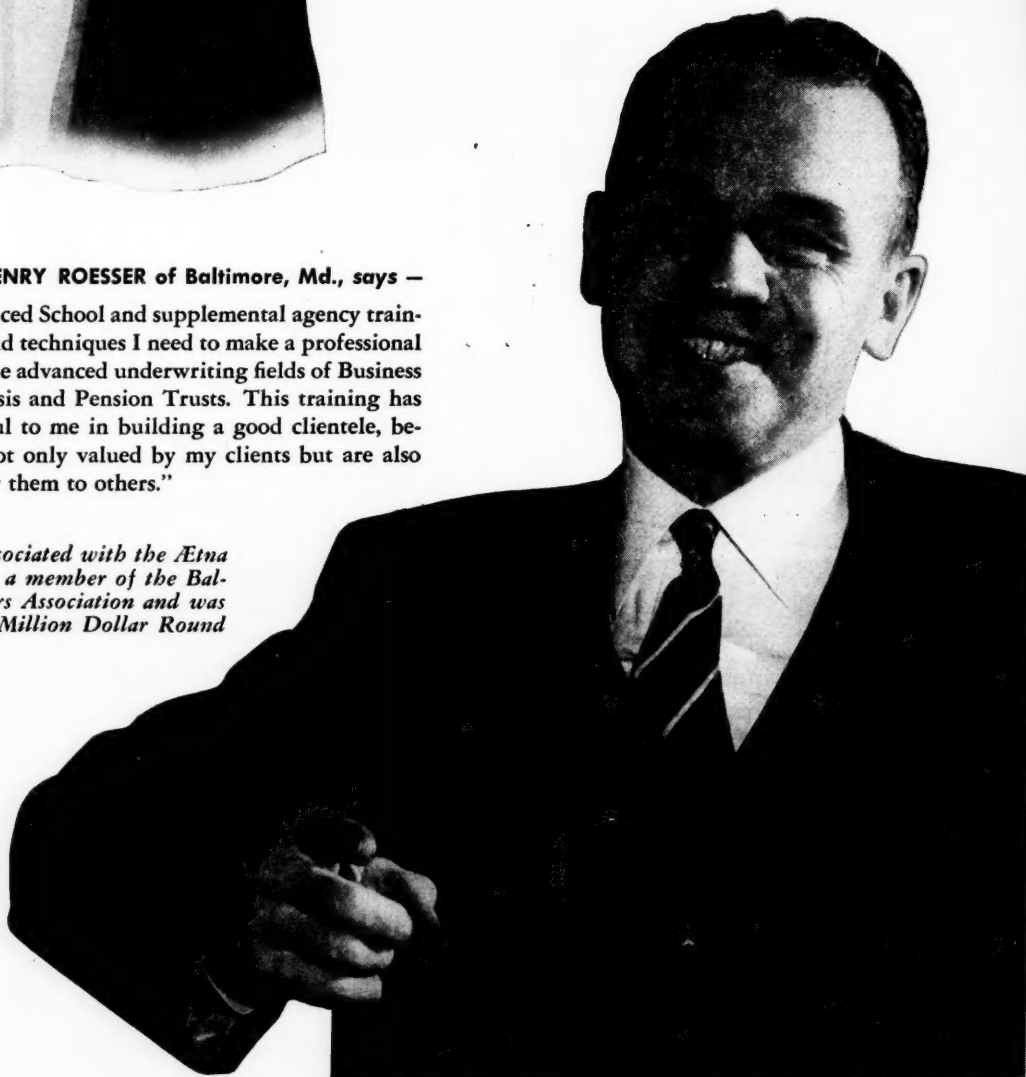
"I have now used the Aetna Life Estate Control Plan programming method for over 6 years. It has given me an average of one sale for every two closing interviews . . . and an average of \$14,500 per sale. This technique of sales through *service* is the keystone of my success."

Mr. Lockhart, who is President of the Birmingham Association of Life Underwriters, joined the Aetna Life in 1948 and qualified as a member of the Million Dollar Round Table in 1953.

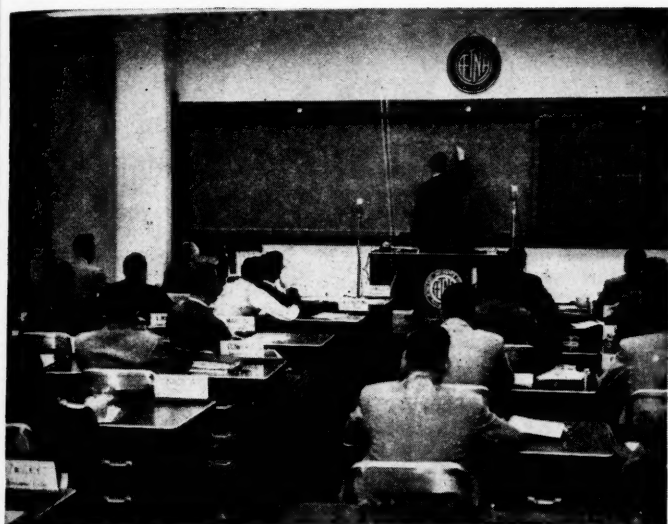
HENRY ROESSER of Baltimore, Md., says —

"The Aetna Life's Advanced School and supplemental agency training gave me the skills and techniques I need to make a professional approach to selling in the advanced underwriting fields of Business Insurance, Estate Analysis and Pension Trusts. This training has been particularly helpful to me in building a good clientele, because my services are not only valued by my clients but are also highly recommended by them to others."

Mr. Roesser has been associated with the Aetna Life for 17 years. He is a member of the Baltimore Life Underwriters Association and was a member of the 1954 Million Dollar Round Table.



.. Aetna Life training leads to success



TWO HOME OFFICE SCHOOLS. Conducted by men with successful experience in training life insurance salesmen, Aetna Life's Basic and Advanced Schools speed progress by months — perhaps by years. They are concentrated and intensely practical — give students the knowledge and confidence so essential to success.

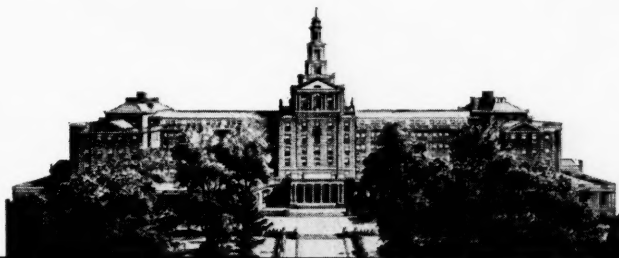


EXPERT FIELD SUPERVISION. Aetna Life's General Agents and field supervisors are proficient in developing successful life insurance salesmen. Their help in early interviews — and their constant guidance — are tremendously important factors.

The Aetna Life training program ordinarily starts with the Basic Home Office School, where a new recruit receives sound grounding in the fundamentals of life insurance salesmanship and programming. Then, in the field, he sharpens his newly learned skills under expert supervision. During this period, too, he gains initial training in advanced underwriting through the Aetna Life Career Course.

Following sales seasoning in the field, he returns to the Home Office for advanced training in the more technical aspects of Business Insurance, Estate Analysis, and Pension Trusts.

Also, he benefits throughout his career from an established program of Home Office sponsored field clinics. These cover latest developments and constantly reinforce the intensive initial training which is so important to success in the strongly competitive field of life insurance selling.



Aetna Life Backs Its Salesmen All the Way

Comprehensive training is just one of the many advantages Aetna Life offers . . .

- Complete facilities for writing Life, Group, Accident and Health.
- Outstandingly successful sales plans for the four major markets: Family Programming, Business Insurance, Estate Analysis, Pension Trusts.
- Backing of Home Office experts on Pension Trusts, Salary Budget, Group and other specialized markets.
- The prestige of representing a company which commands wide respect and acceptance.

It pays to represent the Aetna Life



LIAMA Research Tells What Successful Agents Do That Poorer Producers Don't

What do good agents do more often than poor ones and which of these things seem to be associated with success whether done by good or poor agents? This problem was discussed by Joseph Weitz, research associate for LIAMA before its agency management conference in Chicago.

Through the Sales Method Index work habits of 406 ordinary life agents were studied. "These agents answered the 55 questions on the SMI on their last 10 successful and 10 unsuccessful cases concerning the market, prospecting, and sales patterns on these 20 cases."

Mr. Weitz repeated some of the questions and their answers in the cases where significant differences or trends were shown.

"Did you know the prospect personally before this case?" The answers to these questions, Mr. Weitz said, may indicate that new poorer agents concentrate too much on those people they

knew at the start of their career. The better agents, as they continue in their career, get to know more people personally and these become their prospects.

"Did you know the prospect before you became an agent?" was the next question asked. The high producers of all experience groups knew a smaller percentage of their prospects before becoming an agent than did the low producers. It is obvious that the good agents, especially those with longer service, are making acquaintances whereas the poor agents are using up their old ones, Mr. Weitz said.

In answer to a question about the length of time the agent knew the prospect at the time of the case, it was found that high producers knew their prospects, on the average, a shorter length of time. Of all those cases in which the prospect was known personally, it was apparently easier to sell those who were met after becoming an

agent rather than those who were known before becoming an agent. Mr. Weitz pointed out that these results again support the idea that the low producers concentrate too much on prospects they have known a relatively long time and are not building new friends into prospects.

In the next few questions the answers pointed to a similar fault. Low producers are concentrating too much not only on people they know but also on their relatives.

Where he did not know the prospect the good agent tried in a greater proportion of his cases to get an introduction. He did not use published sources, or direct mail or cold canvass to any great extent and these do not often lead to success, yet he does not entirely ignore these sources of prospects.

The good agent more frequently knows the prospects approximate income and he finds when he does the case is more likely to result in a sale, Weitz pointed out. He is more likely to ask his successful cases for new leads, yet he frequently asks for and gets new leads from those prospects with whom he was not successful.

All agents sell a greater percentage of prospects whose work associates or relatives are the agent's policyholders than when the prospect is not so associated with the agent's policyholders, Mr. Weitz observed. Even when the low producers attempt to sell in this manner they are more successful. The good producer does not find any greater chance of success by prospecting in organizations to which he belongs, the speaker said.

In analyzing answers to questions about the age, sex and incomes of their prospects, it was discovered that although the good producer finds that younger prospects are easier to sell, he tries more frequently than his poorer brother to sell to older people and is more successful at it.

He also finds females and lower income prospects easier to sell but again he is more likely to try to sell male household heads and higher income groups. When he does try he is again more successful than the poorer agent. Even though it is easier for both high and low producers to sell low income people and females, both would probably have higher earnings, though fewer successes, by trying to sell higher income and male prospects.

The study showed the same picture with average size policy and amount of insurance owned by the prospects. It is easier to sell smaller size policies and to prospects who have small amounts of insurance. But the good agent tries to sell larger average size policies and to prospects already owning larger amounts of insurance. The speaker pointed out as significant that good agents do not restrict their attempted sales to large policies and to high income groups.

The new good agent does not try to program as frequently as he attempts to close on the first interview. With greater experience in the business, he tries more frequently to do a programming job. The good agent more frequently collects cash with the application and spends more time on a delivery interview.

"You should be aware that although the good agent does certain things more frequently than the poor agent, no suggestion is made here that he should do only these things 100% of the time," said Mr. Weitz. "Further, there may be certain things which the good agent does which the low producer is incapable of. It will depend on the individ-

ual and certainly the manager is aware of this when he is supervising the man."

• Austin (Tex.), Life Managers Club heard a talk by H. V. Shields, vice-president and agency director of International Life.

A DOZEN REASONS WHY L & C MEN FIND LIFE SECURITY WITH Life and Casualty

- Liberal salary plus commissions and bonus
- Unlimited opportunities for advancement
- Substantial retirement benefits
- Total and permanent disability benefits
- Temporary disability benefits
- Group life insurance at 45¢ per month per thousand
- Family hospitalization at cost
- Cash bonus for Christmas
- Prizes for outstanding achievements
- Vacations with full pay
- Training at company expense
- The opportunity to visit such glamorous resort cities as Havana, Miami, Nassau, New York, New Orleans as a delegate to our Annual Convention —with all expenses paid.

Life and Casualty Insurance Company of Tennessee

Guilford Dudley Jr., President
Home Office, Nashville, Tennessee

Life Insurance in Force
OVER ONE BILLION DOLLARS

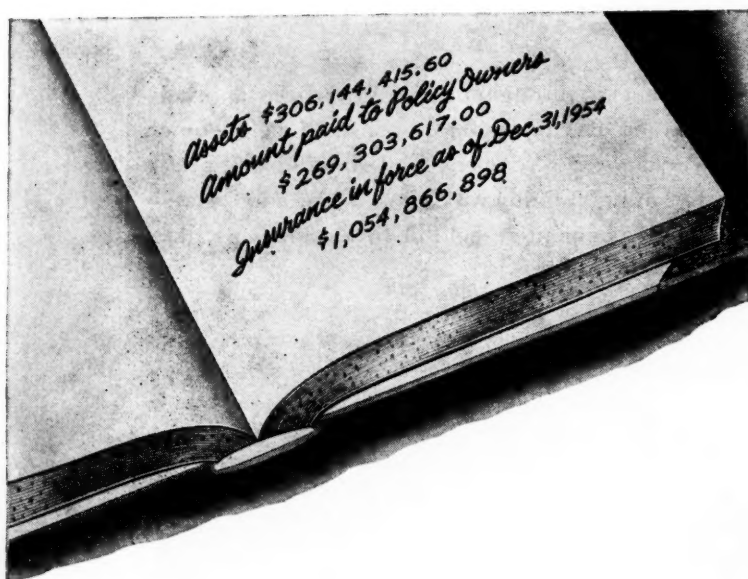
WANTED AGENCY DIRECTOR

With a medium sized—well established company operating in concentrated area. This position requires a man under 45 with successful home office experience. For a man who is currently producing results the starting salary is \$15,000.

Send your qualifications confidentially to:

FERGASON PERSONNEL

330 S. Wells Street Chicago 6, Illinois
HARRISON 7-9040



Produced by the Man with the Rate Book

An outstanding example of the success
of the agency system.

KANSAS CITY LIFE INSURANCE COMPANY

In the heart of America - Broadway at Armour





L. N. RYND

Laurence Rynd joined the Franklin organization in Washington State late in 1948. He had started selling life insurance as a part-timer three years before. Naturally he concentrates on our Exclusives.

Here is a record of his cash earnings to date:

1949	\$ 6,406.50
1950	9,709.12
1951	12,716.38
1952	14,504.33
1953	16,538.76
1954	17,582.82

GENERAL AGENCY
OPPORTUNITIES IN
BRIDGEPORT AND
STAMFORD, CONN.

"We make competition— not meet it" SAYS LARRY RYND

Yakima, Washington
December 30, 1954

Mr. C. E. Becker, Jr., Vice President
Franklin Life Insurance Company
Springfield, Illinois

Dear Charles:

This is a letter of appreciation on two counts: the fine product (unique plans) and the wonderful personal help the Home Office so regularly offers its fieldmen that we have come to expect these things as a matter of course.

Friday I placed policies for an annualized premium of \$1,683. Naturally, I am very pleased with the results: a satisfied client, good commission, and a reasonable assurance of considerably more future business. I'm especially pleased because we were in tough competition for this case. The other agents represented fine companies, were determined and intelligent underwriters, and were on the scene a week ahead of me.

You may remember in our phone conversation that you reminded me to "make competition not meet it." So by use of our Home Protector coupled with a good retirement income plan, we were able to produce a program that our competition couldn't meet. Results, a good sale!

Possibly the greatest returns on this plan will be the regular future conversion of the Home Protector, where we can stay far ahead of our competition.

Yet, the most gratifying part of this case is the reassurance of the complete cooperation the Home Office is always ready to give me in my work. The personal and prompt assistance I received from you, and the Medical and Underwriting Departments made this sale possible. In short, we in the Field are definitely not alone.

Sincerely,

L. N. Rynd

An agent cannot long travel at a faster gait than the company he represents.



The Friendly **FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Nearly One Billion Eight Hundred Million Dollars of Insurance in Force

Small Companies Lay Out Plans for Meeting Competition at LIAMA Management Parley

The problem of meeting today's competition was the topic of a panel discussion at LIAMA's agency management conference in Chicago. Lee Cannon of Western Life was moderator and participants were Norman T. Carson, agency vice-president of Security Mutual of New York, Max S. Bell, vice-president of Continental American, Charles G. Ashbrook, president of North American of Chicago, and Charles H. Heyl, vice-president and director of agencies of Bankers of Nebraska.

Security Mutual is meeting competition by concentrating on the needs of the average buyer, Mr. Carson said. The company has forsaken the net cost approach because it cannot outlug the giants in a price war. Smaller companies must merchandise the things they have that the big companies don't have and sell those as hard as they can.

Security Mutual is directing its efforts to policies or combinations of policies and riders to produce low premium outlay, toward the combination or packaging of life and A&H, and

toward broadening the market for the sale of life and A&H.

The company's recent reduction in base policy requirements utilizes a flexible protection rider, with this and the use of term on top of term, it has made more life available to more people by writing sub-standard term up to 500% mortality. In its packaging of life and A&H it allows the premium payment to be made together. Limited amounts of term riders and term policies are available without medical examinations which makes it possible for salesmen to be more flexible in selling and to extend the combinations in areas where medical examiners are not readily available.

Cost should not be emphasized in selling life insurance to the exclusion of other important factors, Mr. Bell said.

His company is helping ease the pressure of competition by training and educating its agents to meet the competition, by stressing sales appeals such as Continental American's dividend option which allows insured to select to use all future dividends to

buy one year term insurance each year at substantially net rates, by stressing the large average sale in merchandising company wares to the sales organization, and by recruiting good young men so that with the numerical growth in manpower there will be a constantly increasing sales volume and a corresponding growth in force.

Mr. Heyl said Bankers of Nebraska has found that by full cooperation and understanding between the sales staff and the actuarial department, it can meet competition in many better ways. The actuarial staff helps by preparing new rate books, introducing a new basis of compensation, improving a financing plan for new agents, developing a series of fringe benefits, making more flexible the riders to basic policy plans, bringing out extra special policies as some of the big companies have done, and attacking a special market.

Companies which will best meet today's competition will be those that have the best managed agencies, Mr. Ashbrook said. Paying higher and higher commissions and bonuses is not the answer to meeting competition. His company is maintaining but not increasing the present number of agency outlets, and it is training the general agents to concentrate on managing present agents. The plan has been in effect two and a half years and new business has gone from \$23 million to \$33 million and the company is now producing at the rate of \$4 million a month.

board and officers. He entered the business in 1909 as a Travelers agent, joined Equitable in 1926 as assistant to the vice-president, was elected a trustee in 1934, and named director of conservation in 1951.

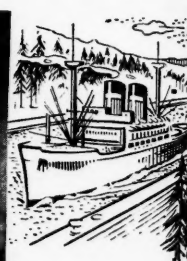
K. C. Life Agencies Stage Parleys

Sales meetings staged by the Reitz agency at Pittsburgh, the Cremer agency at Cleveland and the Shirk agency at Columbus for Kansas City Life were addressed by V. N. Barnes, director of field training, and G. S. Gallupe, division supervisor, both of the home office.

Canada calls "GO-GETTERS"



EARL PUTNAM
President



CANADA is your Land of Opportunity

The St. Lawrence Seaway will work miracles in Canada's growth and development . . . villages will expand into towns . . . towns will be transformed into cities.

Business and industry, already booming, will grow beyond all expectations . . . and opportunities will be increased.

Yes! "OPPORTUNITY UNLIMITED" IS CANADA'S DESTINY. Canadians returning from "across the border" will find their destiny in the country of their birth.

If you are an insurance man your destiny lies with Canada Health & Accident Assurance Corporation.

It is the biggest purely Canadian company in the field and it is growing BIGGER. Territories are attractive . . . commissions are high . . . policies are all inclusive. WE would welcome you home with us to share in this prosperity.

Hospitalization, Surgical, Prepaid Medical, Sickness, Accident, Non-cancellable Accident & Health, Franchise, Group and Special Risks.

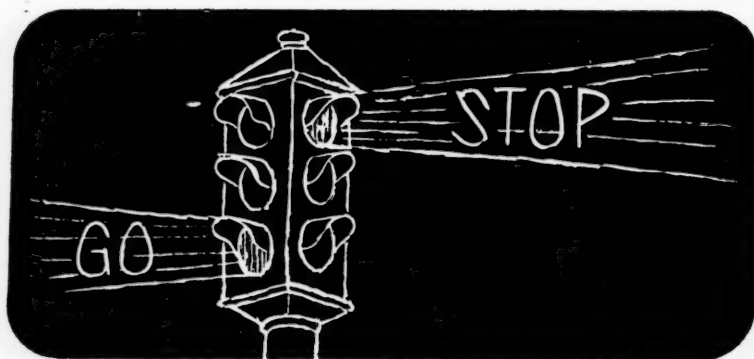
Write to me personally, in confidence, and get in on Canada's expanding economy.

Earl Putnam
EARL PUTNAM, PRESIDENT

Volume 1 Series 2

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CANADA HEALTH & ACCIDENT
ASSURANCE CORPORATION
A Solid Canadian Company
Home Office WATERLOO Ontario
CANADA



Packaged Insurance Sells Faster

(One of a series)

THE MACCABEES JUNIOR ESTATE BUILDER

We call this our "Stop and Go" plan.

It allows parents to build a substantial insurance estate for their children at low juvenile rates . . . Then at age 21 the children may GO on with the plan and have five times the original insurance protection, with no added cost. This amount will be paid up at age 60.

Or they may STOP payments and receive a choice of the following benefits:

- Paid up insurance equal to about 2½ times the original face value.
- Extended term insurance for 41 years.
- Accept a liberal cash settlement.

Sales Aids—High-powered sales ammunition produces qualified prospects and helps close the sale. Direct mail material, custom designed for this plan, is FREE to our agents in unlimited quantities including all postage costs.

- We offer excellent opportunities for rapid advancement in many territories in the U. S. and Canada. Write to Robert O. Shepler, Field Director, for complete information.

THE MACCABEES
—A LIFE INSURANCE SOCIETY

THE MACCABEES BUILDING • DETROIT 2, MICHIGAN

Colonial Gives Final '54 Figures

Final figures on Colonial Life's 1954 operations show that the company had total new business of \$62,371,580, including a \$3,673,950 participation in the federal government employees group life case. Colonial's 1953 new business totalled \$53,338,879. There was a 1954 increase of 12% in new ordinary paid-for. Insurance in force Dec. 31, 1954 including the federal employees coverage, was \$359,418,798, up 11%. Assets are \$62,297,756 up 8.4%. Total income was \$13,433,901, up 7%.

All the 1954 figures including a 12.7% increase in surplus, are new highs. President Richard B. Evans, now completing his ninth full year as Colonial Life president, observed that in the decade since 1944 Colonial has had increases of 133% in insurance in force, 116% in assets, 103% in total income, and 318% in new business volume. He predicted an even greater rate of development and growth in 1955.

Dallas Club to Move

Insurance Club of Dallas, whose quarters in the Adolphus hotel were destroyed by fire about a month ago, will move to the new Hilton-Statler hotel when it is opened later this year.

The club will maintain temporary rooms in the Baker hotel until its permanent quarters become available. Consideration is being given plans to increase membership.

Great-West Advances Lawton

Great-West Life has appointed Dan Lawton, former supervisor at Vancouver Island, manager of a second branch in Edmonton, Alberta. With the company since 1946, Mr. Lawton is a past-president of Victoria CLU chapter and Victoria Life Underwriters Assn.

Nettleship Retires in D. C.

Equitable Life of D. C.'s director of conservation, Frederick M. Nettleship, retiring after 28 years with the company, was honored at a testimonial dinner at the Mayflower, given by the

Indianapolis Life Brings Out Sales Aids at 50-Year Parley

A recruiting manual, a sales kit for the insured savings plan, and an A&H underwriting guide were among new sales aids presented to field associates at Indianapolis Life's golden anniversary sales meeting held in Indianapolis. New proposal forms and new sales pamphlets also were introduced.

More than 100 agents qualified for the meeting through their production during the golden anniversary sales contest held in January and February. Prizes were awarded 41 contest winners. Nate Kaufman, Shelbyville, Ind., led in individual production and his agency also took the top agency award.

William T. Earls, Mutual Benefit Life general agent at Cincinnati; Newell Day, general agent for Equitable of Iowa at Davenport, and E. F. White, vice-president of Insurance R. & R., were outside speakers.

Several members of the home office staff presented new sales tools to the field force. Ten of the outstanding field men presented their favorite sales ideas. These included Ray Wick, Duluth; Eugene Druart, Fort Wayne; Charles Stuckey, Bedford, Ind.; Tom Redmond, Anderson, Ind.; Paul Hamon, Corpus Christi; William Plymate, Indianapolis; Francis Davis, Marion, Ind.; Maurice Kennedy, Noblesville, Ind.; W. E. Brougher, Columbus, Ind., and Mr. Kaufman.

Sears in Regional Post

Travelers has appointed Robert F. Sears regional supervisor at Philadelphia in charge of group business of the Philadelphia, Reading, Erie, Pittsburgh, Baltimore, Charleston, Camden, Wilmington and Washington offices. Mr. Sears joined Travelers in 1926 and has been superintendent of group sales at the home office since 1950.

L. A. HONOR

John Mage Wins Farrell Trophy

LOS ANGELES—John R. Mage, Los Angeles general agent for Northwestern Mutual Life, was presented the Will G. Farrell award for distinguished service beyond his insurance duties at a luncheon here attended by more than 250 insurance men and business leaders. Featured speaker was Charles J. Zimmerman, managing director of LIAMA.

The trophy, awarded by the Los Angeles chamber of commerce, is named after the late Los Angeles general agent for Penn Mutual Life, who, with Fred C. Hathaway, retired Los Angeles manager of Mutual of New York, founded the chamber's life insurance committee.

Mr. Mage joined Northwestern in 1921 at Los Angeles and became a partner with W. K. Murphy in a general agency there in 1941. He became sole general agent in 1947 and his office placed first among all company agencies in 1950 and third in 1954. He is a past president of the California and Los Angeles Assns. of Life Underwriters and Los Angeles Life Managers Assn. He has served on the executive committee of Million Dollar Round Table, of which he is a life member, and has been active in a host of state and city civic activities.

Chicagoans to Hear Marsh on Estate Planning Apr. 5

Chicago CLU chapter will present the second section of its annual economic conference April 5 at the La Salle hotel, with John D. Marsh, Lincoln National general agent at Washington, discussing estate planning.

The chapter earlier staged a session on pension and profit sharing plans. Previously the conference was an all-day affair, but this year it was decided to divide the event into two sections.

Mr. Marsh will give exhaustive treatment to the estate planning field. The meeting is open to all agents; lawyers, accountants and tax men.

Time Doubles Polio Benefit

Time of Milwaukee has increased polio benefits from \$5,000 to \$10,000 at no increase in premium. The charge is effective both for new policies and policies now in force.

Simon Indianapolis G. A.



Max Simon

Max Simon has been appointed general agent at Indianapolis by Manhattan Life. He was with United of Chicago, Minnesota Mutual and Massachusetts Indemnity prior to joining Manhattan Life.

• A \$1,250,000 mortgage from the International Trading Co. to Franklin Life has been recorded in Milwaukee on a factory building constructed there by International in 1953. The building is under lease to the National Container Corp.

Leisure Hour Accidents Much More Numerous

American wage-earners have fewer accidents while on the job than they do out of working hours, according to experience found among males with industrial insurance in Metropolitan Life.

The proportion of accidental deaths occurring off the job varied with the occupation of the worker. In such occupational groups as cotton or woolen mills, furniture factories, barbers, and operatives in shoe and clothing factories, the nonoccupational mishaps accounted for the entire accident death

toll between 1951 and 1953. Other examples of these groups are white collar workers, clerks, merchants and storekeepers, store clerks and salesman.

In occupations which involve appreciable accident hazards, such as carpenters and painters, iron and steel workers, fishermen, railroad engineers and trainmen, chauffeurs, structural iron workers and welders, showed off-the-job accident fatalities predominant.

Welfare Hearings Begin Mar. 21

Senate subcommittee hearings on welfare and pension plans will begin Mar. 21 in Washington.

aces and agents

Every company has its aces...its crackerjacks... its star producers. And similarly, every company has its agents... the men who are regular, consistent producers with few peaks or valleys...and no slumps. They are the men who offset the peaks and valleys of the aces. We have our share of both... bless 'em... because both are important to the steady growth of a company.

Today, it is important to have a good number of aces and agents in the field...and we're happy to say we have succeeded. Over the past few years, the Capitol Life has developed a field force made up of consistent, high quality producers... aces and agents alike. To do this, we have had to set high standards for new men as well as the present field force. If you can meet these company standards, we can help assure your success in the business. Because, when you join the Capitol Life, you will enjoy better than average first year commissions, liberal bonuses, effective sales training, and an attractive company pension plan. You will also enjoy the use of proven sales aids in selling competitive and exclusive contracts. This combined with an intimate, helpful relationship with the Home Office, will return the success you have a right to expect. Just ask any Capitol Life representative.

Agency and field underwriting opportunities available to men residing in the 15 Western States



Capitol Life
INSURANCE COMPANY
DENVER, COLORADO

WRITE: Thomas F. Daly II, Vice President and Director of Agencies.

Agents! Do You Want...

- ✓ Large Commissions
- ✓ Steady Renewals
- ✓ Standard Policies
(rates and provisions competitive with every old line legal reserve life company in the U. S.)
- ✓ Three Specials
Selective Insured Investment Plan.
Junior Insured Savings Plan.
Guaranteed Life Annuity.
- ✓ Agency franchises in Arkansas, Florida, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, Tennessee, Texas and the Territory of Hawaii.
- ✓ A Sound Company
(\$127 in assets for every \$100 of liability).

National Equity Life has operated in the South for 31 years, and is now expanding.

This may mean unusual opportunities for you.

Write today for full information.

NATIONAL EQUITY LIFE INS. CO.

Little Rock, Arkansas
R. D. Lowry, Pres.

Mutual Benefit General Agents Meet in Fla.

Panels on the internal revenue code, selling in today's market and simple programming will be featured at the annual meeting of general agents of Mutual Benefit Life Mar. 21-23 at Belleair, Fla. President H. Bruce Palmer will speak and present the president's

trophy at the annual awards banquet. A refresher conference will be held after the meeting, through Mar. 30.

Kack Goes with Occidental, Cal.

Michael J. Kack, former agent and supervisor for Penn Mutual Life, has been named assistant manager of Occidental Life of California's Westlake branch near San Francisco. He joined his former company in 1949.

Pick Manager for Recruiting Ability, Says Burkett Huey

Burkett W. Huey, LIAMA's associate director of company relations, told the agency management conference in Chicago several things an agency officer can do to stimulate recruiting: sending a manager a recruiting 'hot idea'; calling attention to a recruiting plan in LIAMA'S *Manager's Handbook*; complimenting a manager on progress; establishing a recruiting honor roll; occasional recruiting bulletins with case stories of actual recruits; managers' meetings; watching local trends and helping to capitalize on them; and recruiting aids such as kits, testimonials, direct mail and visuals.

The next job of the agency officer is to practice post-selection, Mr. Huey pointed out. "Unless we winnow out the failures early, we are wasting time, money, rent, training, energy, prestige, enthusiasm," he said. "We are actually enemies of our managers if we are too kind; if we do not help them take an objective, friendly and straightforward appraisal of results. Post-selection is one of the most important means of accomplishing this."

Mr. Huey asked these questions: "Is the priority which you must give to recruiting reflected in your selection requirements when you appoint a new manager? Do we describe the manager's job with adequate emphasis on recruiting? Do we select men as managers who have shown adequate interest and skill in recruiting?"

Urges Imagination in Life Selling

The use of imagination is necessary for successful selling, Robert C. Gilmore Jr., agent of Mutual Benefit Life at Bridgeport, Conn., said in his talk before the Ontario sales congress sponsored by Toronto Life Underwriters Assn.

He traced the development of creative thinking and its application to life insurance selling. Using examples of imaginative techniques developed by well known agents, he showed that they were successful because they were backed by unconventional thinking, even though they were verified with analysis of the factors in each case.

Mr. Gilmore, who is immediate past president of National Assn. of Life Underwriters, also gave some basic rules for the development of imagination in selling and said its full development and use requires constant and conscious effort.

Want No VA Exclusion in Mich.

A bill in the Michigan legislature would prohibit issuance of an A&H policy containing an exclusion for coverage when the insured incurs ex-

penses in a government hospital. This is an outgrowth of the question of coverage when an insured is treated in a veterans administration hospital.

Mutual of N. Y. New Business up 39%

New business sold by Mutual Life of New York in February totaled \$37,684,655, a 39% gain over last year. The average size life policy issued during the month was \$6,133, a record high.

The records were attributed to the four new policies at low gross premium rates introduced in February.

Bankers, Nebraska, Names Ackerman General Counsel

James N. Ackerman has been named general counsel for Bankers Life of Nebraska. He replaces C. P. Peterson, retired.



James N. Ackerman

Joining Bankers as attorney in 1947, Mr. Ackerman was named assistant general counsel two years later. He was advanced to associate general counsel in 1953. Previously he was in private law practice at Lincoln, Neb., with the FBI and with the Justice Department. In addition to Mr. Peterson, four other Bankers Life officers are retiring. They are Vice-presidents E. C. Ames, Fred M. Sanders, E. B. Drake, and Dr. H. E. Flansburg, medical director.

The five represent a total of more than 201 years with the company. All will continue to serve on the board of trustees.

Welfare Fund Regulatory Bill Passes Wash. Senate

The Washington senate has voted 40-0 to authorize Commissioner Sullivan to regulate health and welfare funds. An amendment was adopted requiring each fund to pay the cost of being audited. It would require the commissioner to audit health and funds at least once every five years and make public the insurance contracts covering the funds.

N. Y. Life Names Four Group Supervisors

New York Life has promoted to district group supervisors Richard W. Clayton, in Salt Lake City; Robert G. Crean, in Pittsburgh; Howard A. Ives, in Houston and Russell C. Taylor in Butte.

They joined the company in 1951 and were made home office representatives in 1953 after completing the company's training course.

Mich. Dept. Takes Over Insurer

LANSING, MICH.—The affairs of Twentieth Century Mutual of Detroit were placed in the hands of the Michigan department by an Ingham County circuit court order.

A relatively slight impairment exists, department officials said, but the mutual appeared unable to maintain reserves required although the reserve fund appears sufficient to protect policyholders from actual loss. The mutual, specializing in industrial life and A&H among Negroes has liabilities something in excess of \$30,000.

• Pacific Mutual Life has established a mortgage loan branch at Milwaukee. It will be headed by R. B. Jelenchick, active in the mortgage loan field in that area for 11 years.



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... SUCCESS!

I'll tell you why....

In October 1952 I joined The United States Life as General Agent. And how things did hum!

In just two years we've developed a \$6,000,000 agency... 1954 Life volume was MORE THAN DOUBLE the year before.

How'd we do it? No secret! We're with a high-flying century-old organization which exists for the Field... strives constantly for my SUCCESS!

There's a United States Life General Agency available in your area.

Explore your future by writing Agency Department (SP).

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LIFE INSURANCE COMPANY
IN THE CITY OF NEW YORK

OUR
106TH
YEAR

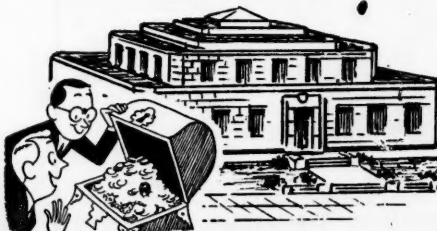
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IS ALL THE GOLD AT FT. KNOX?

We felt like the old prospector when we began some years ago to pioneer the high-minimum low-premium type of policies. We wondered if we'd make a strike with our "Gold Standard"—\$15,000 minimum face Ordinary Life policy with the lowest premium of any U. S. Company... and with our "Golden Years"—a retirement type of policy with a \$10,000 minimum and an also unbeatable premium. Our efforts were rewarded for last year sales set a new Company record! If you're interested in staking a claim, write me.

Harry V. Wade, President



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GENERAL AGENCIES OPEN IN Arkansas • Arizona • California • Delaware • Florida • Georgia • Illinois • Indiana • Kentucky • Louisiana • Maryland • Michigan • Missouri • New Mexico • Pennsylvania • Tennessee • Texas • Virginia • West Virginia

Long-Range Plans, Consistency in Aim Held Vital Factors

"The main spoke in the wheel is the general agent or agency manager," Claire L. Gsell, sales director of Iowa Life, declared at the opening session of LIAMA's agency management conference in Chicago.

He said his company's operating philosophy is predicated on the assumption that the general agent is a key man in company operations.

Explaining Iowa Life's selection and development of managerial talent, Mr. Gsell said, "we are interested in both current and future techniques for selecting, training and motivating men on the supervisory level, and we will invest both time and money to get the best."

Selection and development of managers must start with a proper analysis of the job to be done. He discussed his company's selection techniques and showed how all practicable yardsticks are applied to new men under consideration.

Iowa Life stresses training in sales and leadership. Institutional and company training courses are combined in a continuous manpower development process that has proved successful in attracting men and maintaining their contract with the company, he reported.

Practically all key positions in his company are filled by persons who have risen through the ranks. He

(ADVERTISEMENT)

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Here's good news for all whose job it is to develop new insurance salesmen! You know how difficult it is to attempt to outguess the examining boards and to print exam-type questions and answers to prepare your men for their examinations. Well, all that laborious preparation and guesswork can now be eliminated.

Arco Publishing Co. has just made available a new book, "INSURANCE AGENT, LIFE ACCIDENT AND HEALTH." Here is a book crammed with thousands of questions and answers—the type used in actual examinations! You get coverage of EVERY INSURANCE SUBJECT—an insurance outline and terminology . . . definitions . . . agents' obligations and duties . . . everything your men must know about life insurance, accident and health insurance . . . hints on how to pass their license test . . . and much, much more. In fact, there is so much information in this book that it will enable even your best men to increase their knowledge—and at the same time, increase their usefulness to their clients.

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Seattle 4 ELlet 6710

called this an incentive for performance.

Mr. Gsell outlined the importance of strong and proper motivation in contributing to recruiting, to sales, to training, and to good relations throughout the company. He suggested that Iowa Life has perhaps used motivation to even more advantage than either selection or training, since it is almost universally part and parcel of the other programs. He explained how ego recognition, prizes and awards, and prestige building devices are used to good advantage in his company.

What contributes, more than is generally assumed to a feeling of job security, high morale and personal satisfaction on the part of the general agent is long range planning and consistency of purpose and method, he said.

"A home office atmosphere of confidence and optimism, consistently maintained, is conducive to growth and development of the general agent. It is always reflected in the agency to the benefit of the general agent, writing agent and clerical staff."

CLU Journal Article Favors Looser Options

The soundness of applying certain often-used settlement options to take care of family needs is questioned in an article in the spring issue of *CLU Journal*. Written by Charles K. Reid, 2nd, senior consultant of LIAMA, and Laurence J. Ackerman, dean of the school of business administration of University of Connecticut, it contends that the customary view on how to make some of the proceeds payable for specific family needs may be wrong. Proceeds should normally be paid to the wife under the interest option with the right to withdraw or change to any other option, the authors say.

The article suggests changing the name of the mortgage cancellation fund to "permanent home fund" and making it possible for the widow to sell the home if it should seem wise or to rent while seeking a good buy.

Walter Cincinnati Manager for Mutual Trust Life

Mutual Trust Life has appointed Charles W. Walter manager at Cincinnati. For the past few years the agency there was directed by the late Warner C. Wilson, as general agent, and W. J. F. Roll, general agent emeritus.

Mr. Walter, formerly with Mutual Benefit Life at Cincinnati, has been in insurance for more than 20 years, specializing in estate planning and business insurance.

Mich. Gets Predating Bill

LANSING, MICH.—A bill has been introduced in the Michigan legislature which would prohibit pre-dating of life policies for a period of more than six months if a premium reduction thereby was created. The measure was sponsored by Leo Roy, Northwestern National, Hancock, chairman of the senate insurance committee.

N. W. National Keeps Ad Theme

Northwestern National Life is continuing its current national magazine advertising campaign on the theme "Life Insurance is for Living" with the scheduling of full page advertisements in *Time* for April 4, *Newsweek*, May 2, *U. S. News and World Report*, June 3, and *Capper's Farmer* for July. The advertisements are based on actual cases from the company's files.

● Shield L. & A. of St. Louis has moved its home office to larger quarters at 4914 Gravois avenue. The company plans to enter the industrial field on a general agency basis in the near future.

HIGHLIGHTS OF THE

88th Annual Report



KEYED FOR
CAREER LIFE
UNDERWRITERS



covering 1954 operations records the largest annual production in Company history, a paid total of \$129,327,909. Insurance in force increased to \$1,362,953,372. Assets increased to \$534,584,915, and surplus funds, including capital stock, increased to \$23,687,718.

EQUITABLE LIFE

INSURANCE COMPANY OF IOWA



A. A. L. President's Club Goes to Florida

By virtue of having over \$500,000 of paid-for business during 1954, 102 A.A.L. representatives became charter members of the A.A.L. President's Club.

Membership consists of:

- 6—Million Dollar Producers
- 4—Three-Quarter Million Dollar Producers
- 92—Half Million Dollar Producers

LeRoy G. Stohlman, president of the Aid Association for Lutherans, has made arrangements at the Sans Souci Hotel, Miami, where the members will be feted from April 20-25.

Aid Association for Lutherans

Legal Reserve Fraternal Life Insurance

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THE OHIO NATIONAL LIFE INSURANCE COMPANY CINCINNATI

MURRAY A. PAYNE, GEN. AGENT
1523 EAST LAKE STREET
MINNEAPOLIS, MINNESOTA

Dear Al:

In reviewing my day-to-day relationships with The Ohio National, I am impressed by two factors which have made all the difference to me in trying to achieve the goals I have set for myself.

First, the Company's officers have placed their complete confidence in my abilities from the very beginning and have given me every assistance to carry out my assigned duties.

Secondly, I have found to my personal satisfaction that promises are always kept by everyone in the home office. It is a privilege to be associated with a company in which every man's word is his bond.

This spirit of mutual confidence and trust can only inspire the best in every man.

Sincerely,

Murray



Recognition for General Agents Is Good Recruiting Aid, Berg Tells LIAMA Parley

One of the most effective ways to stimulate recruiting is to give honors and recognition to general agents who are doing a good job, Arnold Berg, agency vice-president of Indianapolis Life, told the agency management conference of LIAMA in Chicago.



Arnold Berg

Stimulants to recruiting activity must be applied specifically for each general agent.

This is done in individual conferences, group meetings and field assistance. Some general agents will attend LIAMA's school in agency management. A general agents' conference then will be held on recruiting, training and supervision of new agents, he said in explaining the recruiting program at Indianapolis Life.

Indianapolis Life was built upon the strong personal producing agent plan, he said.

It was decided to develop strong personal producing general agencies and within these agencies stimulate and encourage agency building. While this system would not develop new manpower as rapidly as the primarily agency building agency or the managerial system, it was believed the company would accomplish its objective within reasonable time and at a lower cost to the company, if the general agent were provided the profit incentive and the tools with which to do the job, he explained.

More important than the agent's contract, however, is the general agent's contract, Mr. Berg pointed out. He said the company feels its contract amply compensates the general agent for his own personal production.

In order to encourage the recruiting and training of new men the general agent is compensated for this activity, Mr. Berg said. The general agent receives a training allowance over and above his normal overriding commissions. The training allowance is paid to the general agent on all new men who earn \$1,000 or more in first-year commissions in each of their first two years in the business.

Fringe benefits are offered to general agents by Indianapolis Life in the belief that these would increase the enthusiasm of the general agents for recruiting.

To get the desired results in recruiting, the company must provide the general agents with proper agency building tools and a procedure to follow. Indianapolis Life holds meetings, individual conferences, publishes bulletins, sends letters and gives field assistance to help acquaint the general agent with his market for prospective agents, Mr. Berg said.

Indianapolis Life uses the *Aptitude Index* with the prospective agent at the earliest possible moment, he said. There is no point in spending a great deal of time in selling the job of a life underwriter only to find the prospective agent possesses no native aptitude for the business.

The *Selection Interview Blueprint* is used and the hiring decision is based on conclusions developed from its use. A recruiting manual is highly effective in stimulating recruiting. It is most effective in stimulating the gen-

eral agent—the key man in this recruiting process. It gives him a story to tell and a track to follow.

"It was our opinion that we should provide a formal career compensation plan for the induction of new agents. In this manner we were able to establish more definite standards for qualification, a tighter control and exercise better post-selection," he said. His company's plan extends over a two-year period. Mr. Berg said that in the year the career compensation plan has been in operation a marked effect in stimulating recruiting has been evident.

Reminding the general agent of the necessity for recruiting is an important part of the Indianapolis Life plan, Mr. Berg said. "We try to accomplish this in a monthly recruiting letter sent to each general agent covering one or more phases of recruiting."

Additional recognition is given to the general agent who recruits the leading new agent of the year, Mr. Berg said. He also told about his company's Expansion Club, membership in which is limited to agents who have recommended during the current year a prospective agent who has been placed under contract. The nominator is paid \$50 as soon as the new agent pays for \$50,000 life insurance and another \$50 as soon as the amount reaches \$100,000 of business in the first 12 months under contract.

Another step taken by Indianapolis Life has been entrance into the field of commercial accident, sickness and hospitalization insurance. One of the reasons the company entered it, Mr. Berg said, is because it was felt it would have a good effect on general agents in the area of recruiting by providing an added source of income and thus enlarge the market for the life agent.

Sun Life of Canada Names Award Winners

A. V. Fortye, branch manager of Sun Life of Canada in Hawaii, has been named winner of the company's president's trophy for outstanding achievements in branch managership. Runners-up were P. E. Drury of Baltimore, R. D. Ekblad of Houston, L. V. Drury of Philadelphia, and J. D. Siner of Wilmington.

K. Matsuo, unit supervisor of Hawaii, has won the director of agencies' trophy. Other awards went to J. J. Command of Baltimore, J. Scott Cumming of Hawaii, F. T. Hughes of Wilmington and Frank B. Cross 3rd of Los Angeles.

H. H. Earl, district group manager at Boston, received the president's group trophy and runnersup were K. N. B. McKenzie of Toronto, and E. D. Lord of Atlanta.

Honeycutt Made President

Luke M. Honeycutt has been promoted to president of Confederate States Life of Alabama. He joined the company last year as executive vice-president. Earlier he was with All-American of Louisiana, Bankers Life & Casualty and Tennessee Valley Life.

OK Ohio Service Process Bill

COLUMBUS—The Ohio senate has passed a bill permitting insurers not licensed in Ohio to be sued in Ohio, with service on the state superintendent. Present laws require that a suit against a company not licensed in the state be filed in the home state of the insurer. The measure is aimed at companies which do business exclusively by mail.

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Sales Ideas That Work

'Creating' Prospects Avoids the Bother Of Finding Them, Says C. S. Ohsner

Finding prospects is a big problem in the life business but C. S. Ohsner, independent life agent of Columbus, O., says he doesn't find prospects, he creates them.



C. S. Ohsner

Speaking at the annual New York City sales congress, Mr. Ohsner, who is a million dollar producer, said that creating a prospect takes the "if" out of the business. The agent no longer has to depend on luck or someone else. He is dependent on himself. The sales congress was attended by about 300 persons. Other talks will be reported in later issues.

All one has to do to create a prospect is to take himself and his knowledge down the street, Mr. Ohsner said. He calls this the "body approach".

Then there is the telephone approach. In this the agent telephones the man and tells him who he is and says he wants to talk about life insurance.

He will say he doesn't want any, Mr. Ohsner said. This is good, because if he wants it it is a pretty good indication that he is uninsurable.

The agent's answer to this is to say "I don't know you. And if I don't get acquainted with you, you never will want any."

Agents should remember that the prospect doesn't have to be sold today. Life insurance is a long-term business, so the agent can take his time.

When the agent gets the interview, Mr. Ohsner suggested he try the silent sales talk by asking the prospect a question and remaining silent until he answers it.

If it's business life the agent is selling—Mr. Ohsner specializes in business life—the agent can inform his prospect of the things most men who own a business want to know. They are: who will control their business before and after their deaths and what will the value of their business interest be before and after their deaths.

Business life insurance has been blown up in the minds of persons in the life business into something it is not, Mr. Ohsner said. It is plain old life insurance, but it's the best sale if an agent wants to be independent.

Life insurance has to get back to fundamentals, according to Mr. Ohsner. It has gotten too smart. It has become over-mechanized. An agent is either a salesman or a mechanic. He can't be both. Either he gets out and sells or he's all bound up in the mechanics of running his business. Mr. Ohsner said he starved when he first started in the life business because he couldn't get

along without the rate book.

He dared the agents at the meeting to leave their rate books at home the next time they called on a client.

No one buys rates, he said. There is too much emphasis put on costs in the business. He pointed out that in selling business life insurance he always prints the cost in red on the information sheets because he doesn't want them to think they are getting something for nothing. If it didn't cost something, it wouldn't be any good, he said.

Insurance is sold by agents with ideas and there isn't an idea in the rate book, he said.

An agent sells insurance because he thinks the way he thinks. He has to have the power of conviction in his product, and it's that conviction he sells, said Mr. Ohsner.

He recommended that all life companies get together and sponsor a national advertising program that would be better than the beer ads or cosmetic advertising. It should be the best program the world has ever seen, he said. People buy things they understand, and it takes public relations to make them understand.

He also suggested that companies work out a standard settlement options program so that they are the same in every company. This suggestion brought applause from the audience. He also said he didn't believe in termination dividends because he does not believe in buying off policyholders.

In business insurance, Mr. Ohsner said, he sets up composite sheets for the business, showing the total of insurance it may have had previously as well as the amount of the new policy. He tries to show the business men that his old insurance, which is increasing in value, will help pay for the policy he is selling them. He does a similar thing with the variance in age of partners.

In closing the sale, he said, he often uses the mistake close by telling the prospect that he may be making a mistake by buying this insurance. He shows him that the \$100,000 policy will cost him \$800 annually and he asks if the business could afford to write off an \$800 mistake in a year, or if it would rather take a chance and perhaps have to write off a \$100,000 mistake some year in the future.

He said he loves to have the prospect bring up the problem of inflation. Life insurance is the only hedge against inflation, if there is a hedge, he said. If the prospect is worried about half-value dollars, he tells him he will be happy to keep him current with additional policies, or if the prospect brings up the subject of becoming uninsurable in the future, he suggests he sell him enough insurance now to keep him current for the future.

SIXTY-EIGHTH ANNUAL REPORT

DECEMBER 31, 1954

Bankers Life of Nebraska

HOME OFFICE • LINCOLN

Assets

Bonds (Amortized Value)	\$48,784,072.36
U.S. Government	\$ 4,922,170.00
State & Municipal	3,962,382.88
U.S. Railroads	5,659,628.07
Public Utilities	11,930,111.71
Canadian	1,979,135.50
Industrial	18,330,644.20

Stocks	
(Preferred \$2,309,187.21	
Common 2,642,658.71)	4,951,845.92

Mortgages	
(Form	\$1,287,226.54
City	8,411,813.71
F.N.A.	8,449,887.45
G.I.	3,610,149.72
	21,759,077.42

Real Estate	
(Home Office	\$ 175,268.83
Investment	2,038,114.85
	2,213,383.68

Loans on Policies	4,533,077.27
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Cash	2,340,916.07
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Accrued Interest & Rent	862,936.46
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Due From Reinsurance Companies	610.49
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Deferred & Uncollected Premiums	1,345,615.92
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Misc. Assets (Less Not Admitted)	958,115.92
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Total	\$87,749,651.51
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Liabilities

Policyholders Reserves	\$76,070,792.79
Policy Reserves	\$66,956,299.86
Supplementary Contracts	4,315,505.00
Prepaid Premiums	1,924,553.00
Dividends Left at Interest	2,874,434.93
Premiums Paid in Advance and	
Accounts Accrued	106,423.64

Dividends to Policyholders Payable in Following Year	747,239.83
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Reserve For Taxes Payable in Year Following	329,197.91
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Reserve for Retirement Plans	1,279,759.13
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Claims Reported, No Proofs Inc.	\$120,760.97
Reserve for Not Reported	216,165.71

Reserve for Miscellaneous Small Accounts	185,376.89
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Security Valuation Reserve	1,664,590.81
----------------------------------	--------------

Additional Funds for Protection of Policyholders	7,150,104.80
--	--------------

Total	\$87,749,651.51
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Bankers Life
INSURANCE COMPANY of Nebraska

ILLINOIS MUTUAL meets MODERN NEEDS

A pioneer in Accident and Health Insurance . . . a leader today in designing progressively better coverage.



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PER-EFFORT
earnings..."**

**... since coming with Wisconsin National,
is the recurring story of our new agents**

This healthy trend will be continued and broadened with the addition of these new plans:

- Special Whole Life Policy — Minimum \$10,000
- \$20 Family Income for 20 years
- \$10 Family Income to age 65
- Jumping Juvenile (\$5,000 Endowment at Age 65 — \$1000 to age 21 — plus return of annual premiums paid.)
- Deferred Annuity — \$100.00 annual units
- Income Disability—Monthly Income \$10.00 per \$1000
- Term Supplements—Riders may be issued for 10, 15 or 20 years

WISCONSIN NATIONAL LIFE INSURANCE CO.
OSHKOSH, WISCONSIN

Openings in — Wisconsin, Michigan, Illinois, Indiana, Minnesota

LIFE • SICKNESS • ACCIDENT • HOSPITAL • POLIO

FTC Hears Two Cases, Southern National Consents

WASHINGTON—In developments arising from hearings on federal trade commission complaints of false A&H advertising, Examiner Cox issued an initial decision containing a consent order against Southern National, while hearings between FTC and Mutual Benefit H. & A. and American Life & Accident continued.

FTC said the consent order against Southern National "would prohibit false and misleading advertising of the benefits of the company's H&A policies." The announcement points out an examiner's decision is not a final FTC decision, that the examiners' initial decisions may be stayed, under commission rules, or docketed for review.

The FTC press release on the Southern National case includes the following:

"Southern National has agreed that the consent order would have the same force and effect as if it had been made after a full hearing, presentation of evidence and findings, and the conclusions to be drawn from them

"Acceptance of the order does not, however, constitute an admission by Southern National that it had violated the law as charged in the complaint.

"The company agreed not to represent, directly or by implication: (1) that its insurance policies can be continued in effect by the insured indefinitely or for any period of time when, in fact, the company may cancel them at any time; (2) that no medical examination is required or that the applicant's health is not a factor unless it is conspicuously shown that claims are limited to illnesses not caused by conditions existing prior to issuance of the policy; (3) that the policy provides indemnification for all kinds of sickness or accidents when this is not true; and (4) that the policy will pay in full or in any specified amount the cost of any medical, surgical or hospital service unless the policy provides that the actual cost will be paid in all cases up to the amount represented."

Commercial Travelers of Salt Lake City is the only other company among the 23 against which complaints have been issued to date to agree to a "consent order."

In the hearing before Examiner Lipscomb in the Mutual Benefit H. & A. case, attorney James T. Welch asked for a bill of particulars in view of the FTC complaint language to the effect that insurance is not regulated in "various states."

He wanted to know what states, to which FTC Attorney Robert Sills replied every state, District of Columbia and Puerto Rico. Mr. Welch moved to strike that answer as "facetious," contending it was not the correct answer

to the examiner's request.

Examiner Lipscomb set the matter for argument in order to ask counsel questions on the record to determine whether Mr. Sills' reply to the request for particulars should be stricken or not. The former took the matter under consideration.

Parties to the case indicated that whichever side won the examiner's decision the other side, the company or FTC counsel, would appeal to members of the commission.

In the hearing before Examiner Cox on the FTC complaint against American Life & Accident, Alvis Layne, company counsel, protested that FTC Attorney Sills' questions should be limited as to company operations to the two years before the complaints were issued last October. As the FTC's case proceeded, Mr. Sills announced he had a "roomful" of witnesses. In a parade to the witness stand a number of them testified about advertising of the company and their "impressions" as to the meaning of the ads and whether they would buy policies on such representations.

Witnesses testified they had been approached by people who stated they were making a "survey" and asked many questions. The questions included, they said, some based on company literature and they testified as to their understanding of statements contained therein.

Mr. Layne charged that FTC had been conducting a "public opinion poll" to secure support for its charges.

The hearing in the American Life & Accident case was recessed until March 31. Mr. Sills said he wanted to examine the transcript to determine if he will put in more evidence. If he decides against that course, the commission's case will rest. The company can then decide whether to move for dismissal of the complaint or to present its defense.

Propose 5% Premium Tax in Alabama

A tax bill calling for a flat 5% tax on gross premiums on all insurance companies doing business in Alabama has been introduced in the legislature with the blessing of Gov. Folsom.

The house ways and means committee will hold hearings on the proposal so insurers can make their arguments against the bill. Officials of both Alabama and out-of-state insurers have sent representatives to discuss the measure.

At present there is a premium tax of one-half of 1% on fire policies; 2½% on premiums of casualty; 2½% on life and 1½% on benevolent societies. There is no tax on premiums for burial and A&H.

The state expects to receive about \$9 million annually from the proposed tax.

Franklin Feb. Sales Sets Record

Franklin Life set another record for the year during February with new paid sales of more than \$35,400,000, excluding annuities. This is a gain of 21.8% over the same month last year. Paid business for the first two months of the year are up 21.1%.

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Prospects Good for Greater Life Sales, Says Pru President

The life business must catch up with the income growth caused by an ever-



Carrol M. Shanks

rising standard of living, Carrol M. Shanks, president of Prudential, said at the company's ordinary agencies conference in San Francisco.

Barring war, the economy is headed for dynamic progress, Mr. Shanks said in pointing out that the prospect for greater life sales is more promising than ever.

Sayre MacLeod, vice-president in charge of ordinary agencies, said markets have changed in the past 20 years as to income, population growth and population movements. In these areas there have been more specific changes of markets within markets, which should be explored by every life agent.

A great moneyed middle class has risen since 1929 when the top 1% of the population received 19% of the total income, he said. In 1946, this group only received 8% and probably less now. He called it the "great redistribution."

Prudential's ordinary life sales increased from \$135 million in 1943 to almost \$700 million in 1954, Mr. MacLeod reported. Ordinary agencies increased from 64 to 132 in the same period.

A. Gordon Nairn, executive director of agencies in the Canadian head office at Toronto; Frederick A. Schnell, 2nd vice-president in Newark; and Umberto Palo, former \$4,300-a-year school teacher, who sold more than \$2 million of life in his first nine months, also spoke. Harry J. Volk, vice-president in charge of western operations, welcomed the representatives and read greetings from Gov. Knight.

The conference concluded with panel discussions by million dollar producers, who described their selling techniques. More than 1,000 representatives from the United States, Canada and Hawaii attended the four-day biennial meeting.

Rosenthal, Strauss Wins General American Honors

The Adam Rosenthal agency at St. Louis won the General American Life President's Million Dollar Cup for 1954, and the Richard Strauss agency at Des Moines the agency achievement cup.

Following the Rosenthal agency for the cup honoring the "best all around million dollar agency" were Otto A. Jeane, Chicago, and Robert R. Dodson, Pittsburgh. Mr. Rosenthal, whose office had paid volume last year exceeding \$3 million, becomes the first district manager to win the cup. The company has seven district managers in St. Louis.

Runners-up for the agency achievement cup, which especially recognizes agency-building performance, were Maurice Levine and Allen H. Ogilvie, both of Los Angeles.

Lead in Occidental Qualifiers

Occidental Underwriters, Honolulu, and the Carl L. DeVries & Associates agency, Los Angeles, were presented

agency qualification awards at Occidental Life of California's Top Club convention at Palm Springs, Cal.

The Hawaii agency, headed by Larry T. Kagawa, qualified the highest percentage of agents for the western regional and Top Club conventions, while the DeVries organization had the largest number of qualifiers for the Top Club meeting.

Republic National 1954 Sales Top \$261 Million

Republic National Life issued \$261,207,511 of life insurance during 1954, bringing the total in force at year-end to \$694,011,011, an increase of \$172,990,118.

Assets stood at \$70,880,816 at the year-end, with an increase of \$791,609 in unassigned surplus and special surplus funds, making a total capital and surplus of \$2,586,573. Surplus reserves for security fluctuation were increased to \$265,162. Benefit payments amounted to \$8,533,720.

McKiernan Opens Own Office at Oklahoma City

Frank M. McKiernan, who recently resigned as vice-president of Coastal States Life, is establishing Frank M. McKiernan & Associates, a counseling service for companies stressing sales promotion and related activities. Development of agencies and agency executive personnel are areas in which the new organization will specialize.

Offices have been opened in the Wright building at Oklahoma City and later branches will be established at Dallas and Birmingham.

Mr. McKiernan is continuing his association with Coastal States Life in its operations in Oklahoma and other western states.

Names Two General Agents

Franklin Life has appointed Heslop, Inc., general agent at Akron and has named William J. O'Brien district manager in Haverhill, Mass.

Heslop, Inc., which originally concentrated in the fields of building and



W. J. O'Brien



W. T. Cooper

real estate, over the past 15 years has increased its insurance operations more than 300%. The insurance operations are supervised by W. T. Cooper.

Mr. O'Brien formerly was with Boston Mutual Life as an agent and assistant manager. He is a past vice-president of Merrimack Valley Life Underwriters Assn.

Group Annuity Book Out

An analysis of the basic arrangement used by life companies to underwrite pension plans has been written by Kenneth Black Jr. Published by S.S. Huebner Foundations for Insurance Education, the book, Group Annuities, may be obtained from University of Pennsylvania Press, 3436 Walnut street, Philadelphia, at \$4 a copy.

• Joseph F. Boyle Jr. has been named supervisor in the Galligher agency of Lincoln National Life at Philadelphia. He has been with the agency for two years.

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EDITORIAL COMMENT

Sen. Ives Disclaims Smear Intent

We are glad to learn that U. S. Senator Irving M. Ives of New York didn't intend his subcommittee's report on abuses in welfare funds to be as sweeping in its condemnation of the insurance industry as one would gather from reading the report.

In a recent editorial THE NATIONAL UNDERWRITER criticized the report for its statement that the insurance industry, equally with labor organizations and management, had failed—"with notable and commendable exceptions"—to meet its responsibilities fully and had been equally remiss in failing to take preventative action against abuse and mismanagement. The editorial took the position that at least as far as insurance was concerned the exceptions were not the cases of commendable conduct but of culpable conduct.

Here is Senator Ives' comment on the editorial: "I am somewhat disturbed by the tenor of the editorial, insofar as it refers to the subcommittee's criticism of the insurance industry. The comments of the subcommittee in its report are based upon its specific findings with respect to certain insurance companies as well as brokers, agents, and the so-called 'consultants.'"

Senator Ives' comment was contained in a letter to Julian S. Myrick of New York City, who had called the editorial to his attention. Mr. Myrick is a retired vice-president of Mutual Life of New York and a past president of the National Assn. of Life Underwriters.

It is gratifying to know that Senator Ives meant his subcommittee's criticisms to apply only to those insurance men and insurance companies involved in the 29 welfare funds of which the subcommittee made case studies. We are glad to publicize his clarification and hope it will achieve the widest possible circulation. Unfortunately, it will probably never entirely catch up with the impression left by the subcommittee report.

It is true that the committee put its case-study magnifying glass only on 29 collectively-bargained welfare funds. But the report is by no means limited to what goes on in these 29 funds. There is comment on the welfare fund situation in general, there are over-all statistics on welfare and pension funds. Moreover the section headed "Conclusions," which contains the crack about the insurance industry, nowhere suggests that these conclusions, individually or collectively, are

to be taken as applying only to the 29 funds that were microscopically examined and to none of the other thousands of funds.

Since the impression made by these conclusions is of some importance, let's look at them and see whether a reader would be likely to think of them as applicable to "the big picture" or just to the 29 funds that got the case-study treatment. The "Conclusions" section leads off by saying: "Based upon its six months' study of private employee welfare and pension plans, the subcommittee makes the following preliminary findings and conclusions."

Does it say "...study of 29 welfare plans" and then specifically limit its "preliminary findings and conclusions" to those 29 plans? No, it doesn't. It was a study of private employee welfare and pension plans, period.

"In terms of cost, coverage, and impact on the economy, these plans constitute a program of national importance," the report continues. But do "these plans" mean just the 29 plans that were intensively studied? Hardly. The reference is obviously to all of them.

Following this are references to 11,290,000 workers being covered by plans providing welfare and/or pension benefits, to \$5 billion a year being contributed by employers to finance these plans, to the more than \$17 billion accumulated in pension funds. Clearly a good deal vaster than the 29 case-studied funds.

"The size and scope of these plans pose a real problem of administration and regulation," the report goes on. What plans? The 29 studied? Yes—but thousands more, as well.

And then, immediately following this discussion of the problem of administration and regulation, comes this:

"With notable and commendable exceptions, the parties at interest—insurance industry—have not met their responsibilities fully and have been equally remiss in failing to take preventative action against abuse and mismanagement."

It would have been so easy to say "...the parties at interest in the 29 cases studied," if that is what the subcommittee meant. Why wasn't it said? Carelessness, perhaps. More likely an unwarranted belief, due to failure to think the matter through, that the insurance culpability found among the 29 cases studied was typical of the behavior of insurance men and insurance companies in the general run of cases

involving welfare funds.

We do not suggest that Senator Ives undertake a crusade to correct the erroneous and unjust impression left by his subcommittee's report. But there will be opportunities in speeches,

in interviews, in conversations with influential molders of public opinion where it would be natural and appropriate to correct an unintended smear. We hope that Senator Ives takes advantage of them.

PERSONAL SIDE OF THE BUSINESS

Henry A. Keck, assistant secretary of America Fore, is celebrating his 50th anniversary with the company this month. He was guest of honor at a testimonial at Drug & Chemical club given by a group of business associates and fellow officers.



K. R. Bentley

Kenneth R. Bentley, whose appointment as Mutual Benefit Life general agent for southern Illinois was reported last week, is a life and qualifying member of Million Dollar Round Table. In the field since 1946, he will make his headquarters at Danville where he was with North-western Mutual.

G. D. Brooks, vice-president of National Life & Accident, has been named a director of the Nashville Banner. The company lent James G. Stahlman \$2.1 million to make it possible for him to become sole owner of the newspaper.

Howard J. Tobin, vice-president of Northwestern Mutual Life in charge of mortgage loans and real estate, has been appointed to the Milwaukee county expressway commission by Gov. Kohler. Mr. Tobin has been chairman of the greater Milwaukee trafficway subcommittee for five years.

J. Harry Wood, editor of CLU Journal and professor of commerce at Washington university, St. Louis, is on a trip to South America. He expects to arrive in New York April 18.

Two Indianapolis Life executives, Walter Heuhl, president, and Doyle Zaring, manager of agencies, have been elected president and secretary, respectively, of Indianapolis Y.M.C.A.

Richard B. Evans, president of Colonial Life, has been elected a director of Young Men's Christian Assn. of the Oranges and Maplewood, N. J.

Devereux C. Josephs, chairman of New York Life, has been named chairman of the life insurance division of the Committee of American Industry in New York City.

John S. Thompson, vice-chairman of Mutual Benefit Life, has been named to a special commission to study veterans' pensions. Gen. Omar Bradley heads the commission.

George Aitken, assistant general manager and comptroller of Great-West Life of Winnipeg, will speak on business administration at the eastern conference of the Controllers Institute of America Apr. 28-30 at the Royal York hotel, Toronto.

Carrol M. Shanks, president of Prudential, gave the principal address at the University of Minnesota winter quarter commencement exercises.

Horace W. Brower, president of Occidental Life of California, has been elected a director of Greater Los Angeles Safety Council.

DEATHS

CHARLES READE DENT, 86, retired secretary and a director of Confederation Life, died in Toronto. He had been with the company nearly 70 years, was secretary from 1924 until 1937, when he retired to write a history of the company, and became a director in 1943. He was the first editor of Confederation Life Bulletin.

Preferred Reinsures A&H

Preferred Life of Dallas has reinsured the A&H business of American Underwriters Mutual Life of Fort Worth rather than American Underwriters reinsuring Preferred Life as was reported in the Feb. 25 issue. Preferred Life has a premium income of more than \$1 million annually on this type of business.



Two speakers at the agency management meeting of LIAMA in Chicago, Joseph Weltz of LIAMA and Ford Munnerlyn of American General Life.

THE NATIONAL UNDERWRITER

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EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Robert B. Mitchell.
Assistant Editors: Warren Kayes and
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ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 3-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 3-3704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

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Associate Editors: John C. Burridge, Charles C. Clarke and William H. Faltyssek.
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PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

Occidental, Cal., Registers in Force Gain of 15% in '54

Occidental Life of California closed 1954 with \$5,261,705,984 of life insurance in force, a 15% gain over the previous year, moving the company from 13th to 12th position among the more than 900 companies doing business in North America, President Horace W. Brower told more than 200 agents at the western regional convention in San Francisco.

Premium income of \$140,135,555 was up \$11,978,845. Benefit payments gained 14% to \$81,898,189, bringing the total of such payments since Occidental's founding to \$483,568,150. Mr. Brower said one of every 15 Americans now is a policyholder or beneficiary of Occidental.

Interest rate earned, after investment expenses but before federal income tax, was 3.89%. The net rate after federal taxes was 3.66%. Surplus to policyholders, including capital of \$12,500,000, totaled \$39,906,626, an increase of 5.88%.

Cincinnati A&H Group Elects Clark President

Cincinnati Assn. of A&H Underwriters at its annual election meeting elected Taylor Clark of Inter-Ocean as president for the 1955-56 term. He succeeds M. Carl Shinkle of the Shinkle agency. James H. Malone, Mutual Benefit A&H was elected vice-president; Louis Purdy of Massachusetts Protective, treasurer, and Freda S. Rubin, Mutual Benefit, secretary.

Elected to the executive committee are M. Carl Shinkle, chairman; T. Chester Clinkenbeard, Minnesota Mutual Life; William B. Borgel, editor *Accident & Health Review*; Jack C. Harris of the Harris agency; Edgar Karaffa, Bankers Life & Casualty; Peter M. Kelly, Commonwealth Life & Accident; Theodore S. Marty Sr., Monarch Life; Harry W. Rankin, Travelers; Thorval Schehr, Schehr agency; E. M. Spangenberg, Mutual Benefit.

Robert W. Osler, vice-president, Rough Notes Co., was speaker. He illustrated that people may be prepared to die, through life insurance, but they aren't prepared to live, through income protection, should they be disabled. In dramatizing the importance of income protection, he explained how living in the past, present, and future, depends upon income. "Our savings are income of the past, and all we hope for in the future depends on income of the future."

He said that if it is a good practice of business men to insure their proper-

ty, it is definitely necessary for them to insure themselves against their own personal "business interruption." He concluded by stating, in essence, that insurance selling is not only a way of making a living, but also a "crusade for democracy" in helping to prevent a "handout state."

40 Years for Taggart



Grant Taggart (center), Cowley, Wyo., was presented a plaque in honor of his 40th anniversary with California-Western States Life by Robert E. Murphy (left), president, and L. C. Tallman, vice-president and manager of agencies. The ceremony took place in the company's home office at Sacramento.

Mr. Taggart has earned virtually every honor the life insurance business has to offer an agent. In 1952 he became the first salesman to receive the coveted John Newton Russell award, considered to be the highest honor in the life insurance field, in recognition of his outstanding contribution to the business. Last year Lester O. Schriver, managing director of National Assn. of Life Underwriters, named him "Mr. Life Insurance." He was featured by *Fortune* magazine as one of the 12 most successful agents in America in 1949.

A life member of Million Dollar Round Table, Mr. Taggart was chairman of this group in 1936. He first qualified for MDRT in 1925. He served as president of NALU in 1942-43, and has been chairman or a member of practically all its committees.

Two sons, Hal of Powell, Wyo., and Cal of Lovell, Wyo., rank among leading Cal-Western producers.

Slate III. Sales Congress

Illinois Assn. of A&H Underwriters has scheduled its first annual convention and sales congress April 15-16 at Peoria. There will be a general business meeting on the afternoon of April 15, and the sales congress will take up the entire day of April 16. Headquarters will be the Pere Marquette hotel.

Credit Bill Advances in Ore.

SALEM, ORE.—The house has passed a bill giving specific authority to the commissioner to regulate the sale of credit life and credit A&H.

Strike to Get Giant Railroad Group Plan of Travelers Installed

LOUISVILLE—An estimated 25,000 non-operating employees of Louisville & Nashville railroad and two subsidiaries went on strike this week over the issue of health and welfare benefits.

The road refused to go along with the agreement reached last August between the unions and most principal railroads under which Travelers would write a group plan covering some 500,000 employees. L.&N. claims it has arranged to provide better health and welfare benefits on a voluntary basis and at lower cost than those provided in the national agreement. It also contends it would be against Kentucky law to make deductions from employees' pay for health and welfare benefits without their specific consent. Under the national plan, monthly employee contributions of \$3.40 would be matched by the employer.

A group of six nonoperating L.&N. employees recently brought suit against

the road in federal court at London, Ky., to prevent it from setting up the national health plan. The suit, which asks that Travelers be enjoined from accepting any payments states that while the plan has not been adopted by L.&N. it may not be able "to resist such pressure and will finally fall in line..."

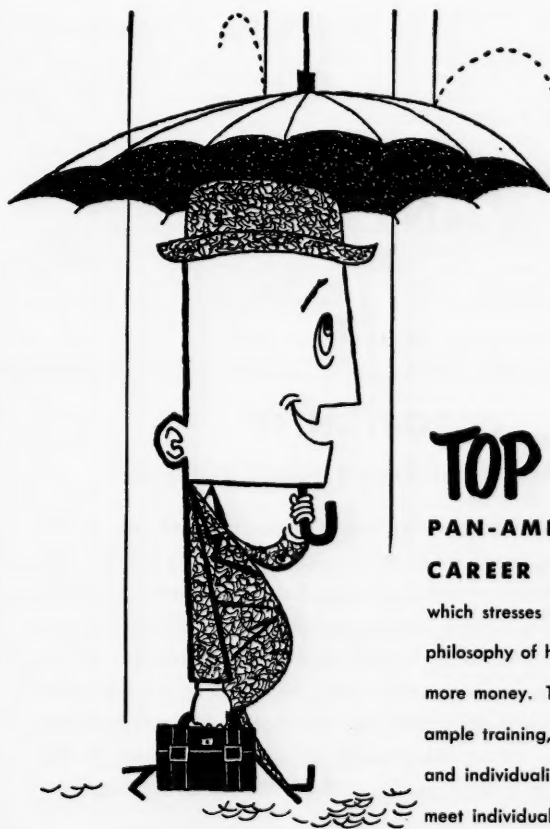
A temporary injunction of a nature similar to that requested by the six employees was obtained earlier at Cincinnati by a group of Baltimore & Ohio workers.

Equitable Promotes Four

Equitable Society has promoted David H. Harris from assistant actuary to manager of the methods research group, Walter L. DeVries from research assistant to senior research assistant, and James A. Attwood and Philip D. Slater from group annuity mathematician and actuarial supervisor, respectively, to assistant actuaries.

United Increases Dividend

The dividend of United of Chicago has been increased to \$8.40 annually, payable quarterly. It has been \$6.

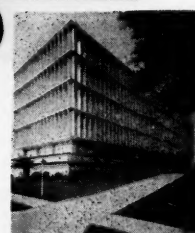


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EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-President & Agency Director



Governor Herter (center) of Massachusetts shown at the New England sales conference with officers of the sponsoring group, Boston Assn. of Life Underwriters: From left, M. G. Summers, New England Mutual; A. E. Richardson Jr., Columbian National; R. E. Turner, Equitable of Iowa, and P. R. Thompson, Metropolitan.

Endorse E. C. DeVol for National CLU Secretary

Philadelphia CLU chapter is backing Eugene C. DeVol, general agent there for National Life of Vermont, as a candidate for secretary of American Society of CLU.

A 1934 University of Pennsylvania business school graduate, Mr. DeVol has spent his entire business career in insurance. He received his CLU designation in 1937. He is a past president of the Philadelphia CLU chapter and of the National Life chapter. He was a director of American Society in 1950-53, regional vice-president in 1952-53 and has served as a member and chairman of several committees.

Petition Asks Review of OK for New Company

Six certificate holders of Hospital Association of Tarboro have filed a petition in Wake county, N. C., superior court asking for a judicial review of Commissioner Gold's order permitting the organization to convert into a stock A&H company.

The petitioners contend that the plan of conversion does not adequately protect the rights of the certificate holders in a surplus and reserve fund amounting to \$140,000.

Chait Gets Production Award

George J. Chait of Elizabeth, N. J. has received the top production award from Baltimore Life and becomes president of its President's Club. His record was particularly outstanding because it is the top production for any single representative in the com-

pany's history. Mr. and Mrs. Chait will be guests of the company on a trip to Bermuda and Nassau as part of the award.

Urges \$40,000 Coverage for \$6,000-a-Year Man

The average American earning between \$5,000 and \$6,000 a year should carry \$40,000 in life insurance, Dallas L. Sharp Jr., Bryant college professor, said in a Providence radio broadcast.

If the future recipient of social security has the good sense and determination to supplement it with at least \$18,000 worth of life from a private company, he should, with a guaranteed income for as long as he and his wife live, find retirement the most pleasant part of life, he said.

'Dependables' Total 320

A total of 320 representatives of Connecticut Mutual Life have qualified for the company's honor organization, the "Dependables." Membership in the organization, open only to full-time agents with at least one year of service, is based on commission earnings and volume of new business, with stricter requirements according to length of service. Eighty-seven of this year's qualifiers are life members of the organization, having qualified in at least 10 years, and 19 are charter members with continuous membership since 1936.

Northington Reappointed

Insurance Commissioner Northington of Tennessee has been reappointed by Gov. Clement and has been given a raise from \$7,800 to \$10,000 annually. Regulation of dealings in securities has been added to his department.

H&A Conference to Meet at Toronto May 9-11

H&A Underwriters Conference will hold its annual meeting at the King Edward hotel, Toronto, May 9-11. The last annual meeting held in Canada was in 1927, also in Toronto.

Business sessions are planned for two days. A golf tournament and a tour to Niagara Falls are planned for Monday. The meeting will close with the banquet Wednesday evening. Chairman of the convention committee is Harry K. Hunt, Imperial Life.

N. C. Senate Passes Bill on Service of Process

A bill passed by the North Carolina senate and sent to the house would authorize service of process on out-of-state insurers by serving the papers on the commissioner who in turn would notify the companies by registered mail.

Add Disability to Cal. Plan

Under provisions of a new agreement between California department of veterans affairs with California-Western States Life and Occidental Life of California, coverage under the present life policies protecting loans made to veterans for homes or farms can be extended to include disability insurance.

The original policies are mortgage life insurance but the new provision will provide \$50 which will be credited monthly to the accounts of veteran purchasers who become totally disabled for more than three months. Where \$50 will not cover monthly payments the department may adjust its requirements to that amount.

The death protection premium will continue at 35 cents per \$1,000 per month on the unpaid balance of the

contract. The new disability portion of the plan will cost a flat 80 cents a month. Instead of increasing the monthly payments required under the mortgage contract, it will merely extend the time of the contract.

The veterans' home and farm purchase program is now in its 34th year. Some 80,000 veterans have been aided and nearly 10,000 took advantage of the plan during 1954. Maximum value of property a veteran can acquire under the plan is \$12,500 for a home or \$18,000 for a farm.

N. C. Extends License Renewal Date to July 1

The date for renewing company licenses in North Carolina has been changed from April 1 to July 1 by newly passed legislation backed by Insurance Commissioner Gold. Annual reports and applications for licenses renewals still must be filed by March 1. Commissioner Gold asked for the change in date because he found the 30-day period between filing and relicensing gave him too little time to examine the reports.

Travelers Bill Moves

A favorable report on a bill authorizing Travelers to increase its capitalization from \$50 million to \$150 million has been made by the joint insurance committee of the Connecticut general assembly. If approved by the assembly, the increased capitalization will permit the company to split its stock 20 for 1.

Cranston Heads New Office

James W. Cranston, with Continental Assurance at San Francisco, has been advanced to district manager of a new branch at 1610 Harrison street, Oakland. He has been in insurance since 1952.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

OPPORTUNITY

Two Group Sales Supervisors Wanted

A well established and growing Group Department of one of the nation's most progressive insurance companies is looking for the right men to fill important positions as a Group Sales Supervisor for Eastern North Carolina and Eastern Virginia and a Group Credit Life Supervisor to be located in the District of Columbia. Compensation will be by salary and an incentive bonus plan, thus assuring an adequate income and excellent opportunity for advancement. Good positions for the right men. Write giving qualifications and experience to Box D-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED AGENCY MANAGER

Texas Assessment Association, fine reputation for 15 years, changing over to legal reserve. Located college town near Dallas. Want man to build home agency then become agency director of company. Cooperation of Board of Directors and influential policyholders assured. Salary, over-riding and all personal commissions. Looks good for \$10,000 first year to good man. Write fully and in confidence to F. B. Hule, President, Security National Life Insurance Company, Denton, Texas.

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Are you interested in the services of a qualified Actuary, on an hourly fee basis, for your trust, combination, group, or complicated proposals or plan services? Will not undermine your chances for future insurance sales to same client. Central mid-western location. Write Box D-84, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE UNDERWRITER WANTED

Man who wants to be number one needed by rapidly growing Mid South company. Two or more years lay underwriting experience and administrative ability required. An opportunity with the right future for the right man. Address D-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Established Florida Ordinary Agency of large Eastern company needs a Supervisor and Brokerage Manager. Salary, Commission and bonus basis. \$5,000 to \$6,000 first year. Good future for hard worker. References and full screening required. Write Box D-88, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

DIRECTOR OF TRAINING WANTED BY LARGE GROUP COMPANY

Here's an excellent opportunity for a man experienced in conducting group insurance training programs.

The man selected will be responsible for organizing and directing all phases of the company's group insurance training program. He will play a big role in the selection of new men and will conduct both the initial training classes and the advanced workshop sessions for the veteran employee. He will be a man experienced in both the production and administrative phases of the group insurance business. Salary will be commensurate with past experience and ability.

The company is one of the nation's largest writers of group insurance.

Write in confidence, giving full information, to:

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The National Underwriter
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Two LIAMA Committees Meet at Chicago

(CONTINUED FROM PAGE 1)
a cost, either in salary or subsidy, hoping the operation will work out.

Commenting on net cost merchandising, Mr. Hamer said: "I have never been able to understand or see any sense in trying to beat the other fellow, particularly if we have to dip into the agent's pocket to do it. If we try to beat the other fellow on his own terms, we fall right into his trap—we are not acquainted with his gimmick. Surely, we are smart enough to think of some gimmick of our own and make our policies different—better, with more buying appeal—and then build a terrific selling story around it causing our salesmen to catch on fire."

Several specific ideas for motivating the manager were advanced by Ford Munnerlyn, American General. He suggested the agency director personally write each new man contracted, specifically building the man's manager and telling him he is fortunate to be entering the business under this man's guidance. He said he also favors an advisory committee to the company made up of managers, daily production reports so that the records of individual agents can be recognized by the home office, helping field men obtain publicity in both the trade and general press, spurring continuous competition among agencies, and production awards and honor clubs. He also suggested a monthly exchange of

information on manpower between the home office and managers, and advocated a personal letter be sent each manager on his contract date.

Recruiting was the subject of both Clyde J. Summerhays, Beneficial Life, and Bernard E. Wilson, who is manager for Commonwealth Life at Evansville, Ind.

Several obstacles to present-day recruiting were considered by Mr. Summerhays. The new man has a difficult time appreciating the advantage of having one-half of his income spread out over future years, he said, suggesting the man be encouraged to keep a record of deferred compensation to overcome this.

Mr. Summerhays, pointing to a growing trend toward overcoming the obstacle he termed "the reservoir of men who have left the business as failures," commented that some general agents take as much interest in relocating a man who is leaving the business as they do in bringing him in the first place. He called "an entirely fallacious obstacle" the desire of many men for a definite, permanent income, saying any job can be cut off and the only security is that which is earned by and for the individual. Lack of knowledge of the business and resistance to selling are not nearly the obstacles they were in the past, the speaker said. In various ways more and more people are learning about the fundamental role of life insurance, he stated.

Mr. Wilson described how he had taken over an agency "in last place in company rankings" and in 30 months built it to a point where a \$5 million goal for 1955 seems entirely achievable. Expressing his belief in "selling the career rather than selling the man," he said he prefers to prospect among men who have "threads of success about them, men who have strong character and good jobs." He added he is not afraid to talk to top men because they can be brought into the business on a sound financial basis, and "I have confidence in our ability to lead them to success in a life insurance career."

Roger Bourland of Liberty Life moderated a panel which judged the quality of various ideas to motivate managers and stimulate production. Assisting him were Harold Kraft of Ohio State Life, K. W. Cring of Pacific National, D. H. Lucas of State Life of Indiana and A. H. Sym of Provident Life of Bismarck.

Recruiting, management development and training, and merchandising were considered at workshop sessions at which the moderators were F. L. Whitbeck, Jr., Union Life of Arkansas, J. D. Anderson, Guarantee Mutual, and Mr. Browne.

Opening the A&H session, N. Murray Longworth, president of United Benefit Life of Omaha, said that industry is fortunate in that all through its present "embroidment" there has not been a "single solitary scandal." There has not been any indication of mismanagement, dishonesty or fraud, he added. "And you can be sure it would have been in the press if anyone could have excavated anything with even the slightest odor."

The only possible complaint against the A&H business, according to Mr. Longworth, is that "it has not grown fast enough or broadened its coverage as rapidly as some people think it should have."

Mr. Longworth said it is his impression that A&H growth has been as rapid as humanly possible "consistent



Examining exhibits at the LIAMA agency management meeting in Chicago: John C. Young and G. E. Keddy, Equitable of Canada, and Garland T. Scott, Farmers & Bankers.

with good sound financial management." He said that experience must be accumulated before the cost of new and improved products can be determined, and "no adrenalin injection into the blood of the industry can accelerate the accumulation of intelligible data, even if that adrenalin is called, for lack of a better name, reinforcement."

"The single, most potent factor in molding public opinion about A&H is the agent," declared Frederic M. Peirce, assistant to the managing director of LIAMA.

"To the buyer, the agent is the company," Mr. Peirce said. "The buyers will praise him if they are happy with the coverages they buy and curse him if they are not." He said there can be no criticism of a policy if the purchaser knows what he has bought and if he has bought exactly the coverage he wants.

Ultimately, Mr. Peirce emphasized, responsibility for what the agent does falls upon the company and agency department. The agent reflects the philosophy of the company, offers the kinds of policies he is given to sell, uses the application with which he is supplied and sells according to a pattern which the sales department has established.

"Our industry has long since perfected life protection and now we have perfected its equal partner, A&H protection," Ralph K. Lindop, general agent in New York City for Monarch Life of Massachusetts, said.

"Be sure to consider both equal and show no favoritism, for if you do, the facts of life will bring the error of your favoritism to the irate attention of your client," he warned.

Life agents do not provide adequate service for their clients if they sell only life insurance, contended Burnham L. Batson, Chicago manager of Connecticut General. There are three contingencies for which a man must provide: disability, death and retirement. A life agent, who really does an estate planning job for a client, fails if he does not take all three contingencies into account.

At the closing A&H session Rex Anderson of New York Life presided over a panel that reviewed sales ideas. Participants were Fred R. Hennig of Loyal Protective Life, J. E. Rawles of Lincoln National Life, Glenn O. Mulvey of State Mutual Life and Mr. Carson.

FRANK MOZLEY, Beneficial Life, Salt Lake City, one of the most widely known and beloved "wheelhorses" in the National Assn. of Life Underwriters, died. He had missed very few NALU meetings since joining the association early in the century. For years it was a tradition that he moved the adjournment of NALU conventions.

Anderson Against Trade Contab With FTC on A&H Ads

B. M. Anderson, vice-president and counsel of Connecticut General Life, told the A&H meeting of LIAMA in Chicago this week that he strongly opposes a trade practice conference on A&H advertising between the federal trade commission and A&H insurers.

Stressing he was speaking as an individual and not as head of the Joint Committee on Health Insurance task force studying regulation and self-regulation, Mr. Anderson declared "We should not enter into accommodations with Washington which may serve to undermine state supervision merely for sake of expediency". He indicated it was his view such a conference could be the first step toward federal regulation of insurance.

A trade practice conference is supported by some industry quarters as a way of averting bad publicity resulting from further FTC complaints and hearings, and particularly as a way of heading off a possible revision of public law 15 should litigation result in a defeat for FTC on jurisdictional grounds.

Mr. Anderson said he is appreciative of the "unfortunate situation" of those companies cited by FTC, but he still does not believe the remedy lies in a trade practice conference. Instead, he said those interested in state supervision should continue efforts to improve it.

There is a desire among some federal officials and congressmen for at least partial federal regulation of insurance, according to Mr. Anderson. He said dividing regulatory responsibilities on federal and state levels would lead to "impossible conflict".

Though opposing federal regulation, Mr. Anderson stressed he does not condone some of the practices in the A&H field. However, he added these practices should be corrected under state supervision and "the fact is they are being corrected now." He noted that many state legislatures currently are considering measures affecting A&H.

Mr. Anderson termed as "greatly magnified" the problem of public complaints about A&H, referring to actual studies by commissioners and his own subcommittee as proof. He said complaints and inquiries made to independent sources about A&H fell off 50% between the first and last quarter of 1954.

DR. OTIS WIGHT, 78, medical director of Standard of Oregon from 1930 until ill health forced him to resign seven years ago, died in Portland, Ore.

Two Mark 25th Year



Lewis W. S. Chapman, director of company relations, and Amelia M. Honer, personnel assistant, this week are observing their 25th anniversaries with LIAMA. Both joined when the association was known as Sales Research Bureau, Miss Honer as secretary to the managing director, the late John Marshall Holcombe, and Mr. Chapman as a consultant.

Mr. Chapman was director of schools in agency management before being promoted to his present post in 1944. He has taught at 91 of the 129 schools. His division is responsible for consultation visits, schools, publications, committee work and all conferences and annual meetings. As an LIAMA officer, Mr. Chapman also contributes to decisions affecting the entire membership.

A member of CLU Institute and CLU management examination committee, Mr. Chapman has addressed numerous insurance organizations and has written many articles and several books on insurance. He is a graduate of the Wharton School at University of Pennsylvania.

Original Sales Gimmicks, Novel Services Help Tenn. Agent Build Loyal Clientele

Advertising, sales gimmicks and community work were described as the best ways of increasing production by Thomas T. Martin, Mutual of New York, Murfreesboro, Tenn., at the sales congress of the New York City Life Underwriters Assn.

Mr. Martin has built his sales from \$250,000 to \$900,000 in 20 years. A dynamic and friendly speaker, Mr. Martin said a life salesman should talk his clients' language and know his interests.

Mr. Martin likes endless-chain prospecting. He asks each prospect for the names of two friends. He keeps 300 names ahead in his prospect list and he has found that it takes him eight calls and six interviews to make two sales. He urged agents to use the daily plan books and monthly record books their companies provide.

He keeps up to date on his clients and prospects by subscribing to two Nashville papers, two local papers and five county weeklies. He finds that good prospects are found in the lists of pallbearers in the papers, births, engagements, marriages, adoptions of children, business promotions and sales. Last year he made 65 sales to persons whose names he got from the newspapers.

When he sees news of a business promotion in a newspaper, he does not go after the top level promotion, but he seeks out the second man in line who moved up because of the other promotion. He has found everyone hits the top man, but no one thinks of the second man.

He also creates good public relations by clipping out stories about friends, clients and prospects from the newspapers. He pastes the clipping in a little folder that bears his name, address and telephone number, and notes on it how happy he is to read the good news.

His theory is to try a new idea each week and he finds it keeps him alert as well as bringing in new business.

Last month, Mr. Martin said, he delivered his checks for his monthly bills in person. As he talked to each person he mentioned insurance and was able to get 10 new policies.

When ministers were first given the option of joining the social security plan, Mr. Martin said he went to the local internal revenue bureau and obtained the social security applications for them. He called the 20 ministers in his town and offered to explain social security to them. Then he filled out the applications for them at a meeting at which he explained the benefits available under social security.

B. E. Smith Heads Phoenix Agency of Lincoln National

Brant E. Smith has been named general agent at Phoenix for Lincoln National Life. He succeeds R. R. Norton, general agent there for eight years who will continue with the agency in personal production.

Mr. Smith entered insurance in 1949 and has been with Occidental Life of California at Tucson. He is a director of the newly-formed Southern Arizona Life Underwriters Assn.



Brant E. Smith

ity. This one small bit of public service resulted in 12 new policies.

Similarly, when he learned that farmers who sell milk to a wholesale milk salesman could go under social security, he spent several weekends explaining the system to them. He got \$30,000 of new business from this.

Mr. Martin said he scatters sales aids all over middle Tennessee. He has found such things as pencils, golf tees, ash trays, scratch pads, blotters and calendars are useful to get his name before the public. Also, he sends get-well cards and birthday cards to clients, friends, and prospects.

The new internal revenue code should increase agents' business 50% this year, he said. He found that using form 706 on corporations and explaining it to business men would bring sales, and in January alone it brought him 25 new policies.

He also believes in using direct mail and out of the last 100 letters he sent out he got 30 replies which brought him \$73,800 worth of business.

Association Group Leads to Jumbo A&H Risks: McKinnon

Association group practices are piling up the same kind of jumbo risks that proved a staggering source of loss during the depression, Leonard A. McKinnon, Flint, Mich., president of International Assn. of A&H Underwriters, charged before a meeting of the Indianapolis association.

"In travelling over the country this year, I have run into considerable criticism and concern over association group," Mr. McKinnon reported, "and I have had a number of instances pointed out to me of professional men owning as many as four and five association policies giving them monthly disability coverage in substantial excess of their earned income."

The speaker observed that under today's high tax structure, disability benefits even approaching, let alone exceeding, earned income are a serious moral risk, presenting the temptation to turn A&H insurance into a pension.

"The latest underwriting rule I have heard of is that the maximum safe amount of disability income to issue when earned income exceeds \$300 a month is one half of earned income plus \$50; yet I have been cited cases of physicians averaging around \$1,000 a month earned income carrying association group benefit of \$1,500 a month—almost 200% more than the safe maximum under the 'one-half plus \$50' rule."

Mr. McKinnon also labelled as an "increasing danger" the threat of social insurance at both state and national level, declaring that the International is unalterably opposed to the administration's "health reinsurance" bill as unnecessary, unworkable, and "a foot in the door of national health insurance and socialized medicine, apparently so dear to the hearts of politicians."

Sees Equity Investments Gain

Stuart F. Silloway, vice-president for finance of Mutual of New York, told alumni of New York University's graduate school of business administration at the dean's day homecoming conference that he believed there will be a tendency for life companies to invest up to their statutory maximums in equities. He said he was hopeful a broader margin for equity investments can be obtained soon.

Life companies are likely to increase their holdings of common and preferred stocks unless yields from fixed-income-bearing investments more nearly match returns available from equities, he said.



Kenneth D. Hamer, Pan-American Life, outgoing chairman of the agency management conference of LIAMA, shown at that group's Chicago meeting with Burkett Huey of LIAMA, who was on the program.

Secondary Targets Pay Off For Agent, Says K. L. Anderson

The analogy between air force targets of opportunity and an agent's incidental sales was drawn for the New York City sales congress by Kenneth L. Anderson, staff editor of Insurance R & R.

An air force attack squadron may strike worthwhile targets of opportunity in addition to accomplishing its assigned mission or if it cannot hit the first objectives, Mr. Anderson explained. Sometimes this secondary function is more productive than the original mission.

Applying this analogy to insurance, he calls the objective a sale. Charts and figures, instead of aerial photographs and maps, are blueprints of the prospect's strengths and weaknesses in terms of needs. The prospect's objections represent anti-aircraft fire, while the agent's arguments for buying are the attack. If a sale is not made, at least some targets of opportunity are hit.

Targets are hit when the agent pushes forward the gospel of life, when the prospect is made more conscious of his needs, and when he is moved a step closer to being satisfied.

Other targets of opportunity might be the luncheon date arranged with a friend seen on the street for the first time in years; the unexpected visit with an acquaintance, possibly a new father or homeowner, while seeing a prospect in the neighborhood; or the introduction to a business associate of a prospect. For an agent whose head is on a swivel and whose ears are kept dewaxed, targets of opportunity are without number, said Mr. Anderson.

JOSEPH CHARLEVILLE, for many years executive secretary of the Los Angeles Life Underwriters Assn., died. He was widely known to life insurance field men not only in California but around the country from having attended many National Assn. of Life Underwriters meetings.

Calls for Industry Self-Discipline in Meeting FTC Moves

The federal government is taking its first major steps into the health field and the insurance business must exercise statesmanship and self-discipline to solve the problems, Robert R. Neal, resident counsel of Bureau of A&H Underwriters and H&A Underwriters Conference, told LIAMA's A&H meeting in Chicago.

Congressional inquiries into A&H insurance, the FTC probe into A&H advertising, and introduction of the reinsurance bill are disturbing to a business favoring state supervision, Mr. Neal said. If the government viewpoint prevails that the FTC has jurisdiction over A&H advertising, the companies will know no more than they do now about the bounds within which to conduct advertising programs. Although ends sought by the administration in introducing the reinsurance bill are laudable, he said the question is whether the ends sought can be obtained through the proposed means.

1200 Attend Boston Sales Conference

The annual New England sales conference sponsored by Boston Life Underwriters Assn. attracted an attendance of 1200. Governor Herter extended greetings and there was a talk by Allan Jackson, CBS radio newscaster.

Discussing "Partnership Insurance Made-Simple," Carl P. Lundy, director of field training for Prudential, advised: (1) Discuss the problem; (2) show the solution, which is a buy and sell agreement drawn up by the prospect's attorney; (3) the life agent finances the solution with life insurance. He observed that each partner always wants his family to get a much higher value than he would be willing to pay the survivor, an attitude that helps sell business insurance.

Lloyd H. Feder, Lincoln National general agent at Cleveland, commented that all the life agent is doing is "selling money for future delivery at a discount on the insured installment plan." He stressed that only the economic and productive value of a life can be insured.

Francis T. Fenn, Jr., general agent for National Life of Vermont at Hartford, using photographic slides, described how he manages to write a million dollars of life insurance each calendar year in a period of 10 months. He demonstrated his point evaluation system, used to eliminate marginal prospects and thereby leave more time for effective selling.

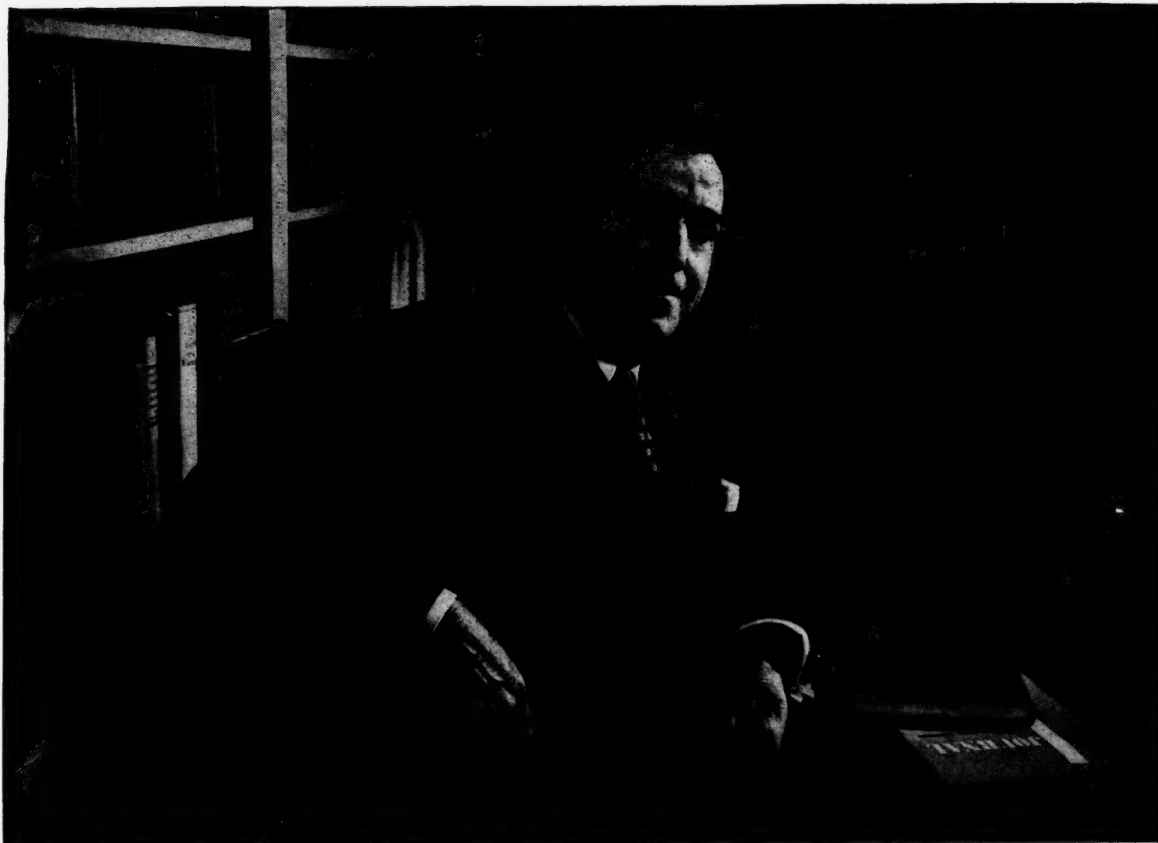
Halsey D. Josephson, Connecticut Mutual general agent at New York City, and Ralph G. Engelsman, consultant in New York City, collaborated in a skit on "Making Sales Now—Today."

Named to Equitable Post

Equitable Society has appointed Raymond M. Herrman as assistant to Senior Vice-president Charles W. Dow and William A. McCurdy as assistant manager of industrial securities in the securities investment department.

Mr. Herrman joined Equitable Society in 1927 and has been an industrial analyst in the securities investment department since 1948. Mr. McCurdy formerly was with Ford Motor Co., Detroit.

A NORTHWESTERN MUTUAL POLICYHOLDER, Dr. FitzGerald started his life insurance program with this company 41 years ago.



KARSH, OTTAWA

"The professional man's very occupation creates a special need for life insurance"

A message for young professional men by Leslie M. FitzGerald, D.D.S., D.S.C.

Past President, American Dental Association

"A BANKER once said to me, 'If a professional man has money to invest, it is because he has a busy practice. If he has a busy practice, he has little time to study investments.'

"Almost any professional man will confirm this analysis. And it should lead him to consider the special advantage of life insurance for him. This is one investment that is worry-free and involves no drain on his time and energies.

"In my own case, conviction about life

insurance came long before I learned of its value as an investment. The death of my father and the sacrifices my mother made to educate her five children taught me many things . . . one was the value of life insurance as protection for a family.

"The professional man, of all people, should appreciate the value of professional help. A trained life insurance counsellor can make the difference between order and confusion in planning a farsighted insurance program."

HOW LONG IS IT SINCE YOU HAVE REVIEWED YOUR LIFE INSURANCE PROGRAM?

BIRTHS, deaths, marriages, changing needs, taxes . . . all affect protection plans. A life insurance program needs review at least every two years.

You'll find real assistance when you call upon a Northwestern Mutual agent. He is trained to give understanding advice. His company is one of the largest in the world. It has over 98 years' experience.

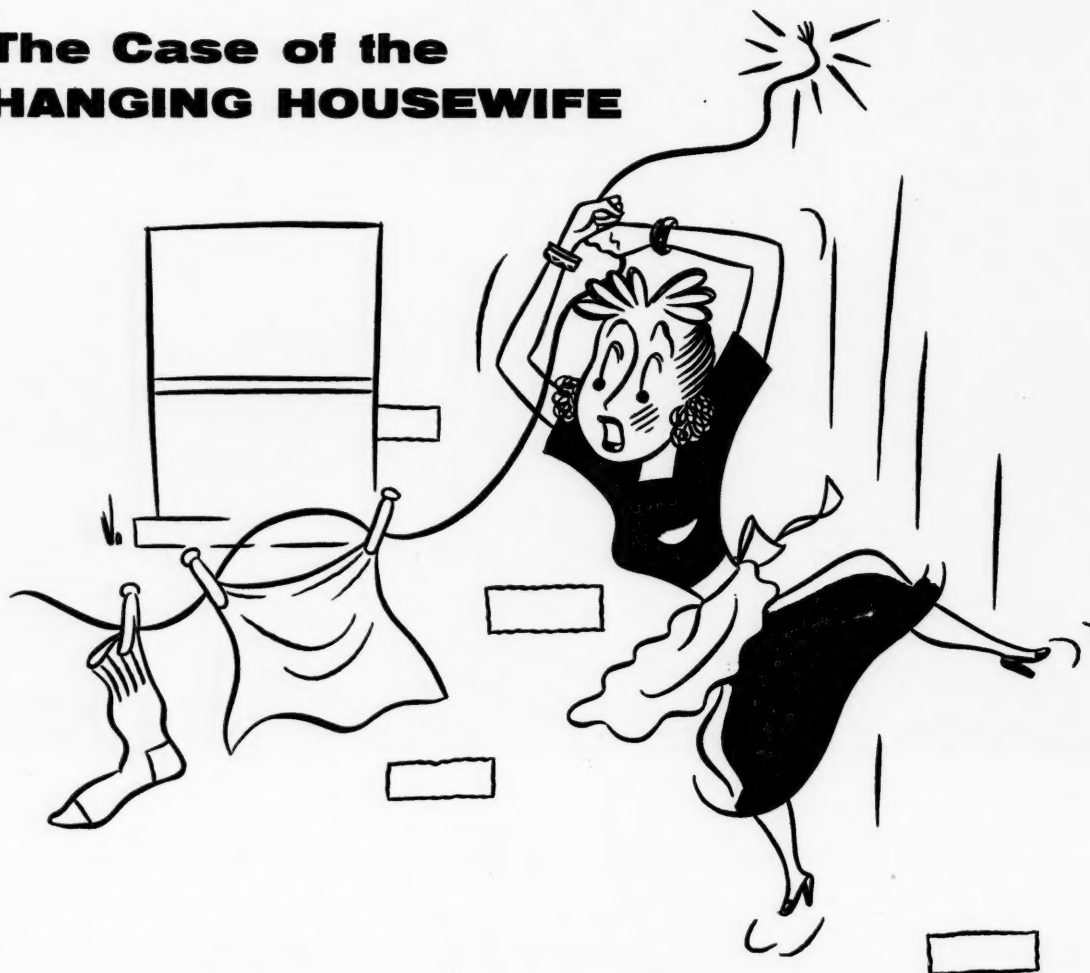
Moreover, Northwestern Mutual offers so many significant advantages, including low net cost, that no company excels it in that happiest of all business relationships—old customers coming back for more.

The NORTHWESTERN MUTUAL Life Insurance Company

MILWAUKEE, WISCONSIN

APPEARING IN: TIME, JANUARY 10 AND FEBRUARY 7; IN NEWSWEEK, FEBRUARY 21 AND MARCH 21

The Case of the HANGING HOUSEWIFE



Solved by Accident Insurance

An ambitious housewife was hanging clothes on a pulley line from her apartment. She leaned out too far, and went on a short ride with her laundry. The trip ended abruptly and violently when the rope broke. (Claim payment—over \$1,000)

Odd accidents occur every day of the week, but they're never very amusing to the person involved . . . especially when there is no insurance to help pay medical bills and safeguard the income and savings of the wage earner. That's why it's so important for you to use Accident Insurance as the keystone of every insurance program.

Your nearest Travelers manager will be happy to help you get started on your own Accident campaign, with full details of Travelers modern Accident policies. Ask him about Travelers Hospitalization Insurance too.

THE TRAVELERS INSURANCE COMPANY

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